

هذه كمان الصحف

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NEWS SUMMARY

GENERAL BUSINESS

Italian Cabinet formally resigns

The Italian Government resigned last night after a two-day Parliamentary debate precipitated by the Communists' withdrawal of support for the minority Christian Democrat administration.

This was the fourth Cabinet Prime Minister Andreotti has led in seven years and his second since the 1976 general election which produced a stalemate in Parliament.

It is now probable that President Berlinguer will ask Sig. Andreotti to form another administration. Meanwhile, Sig. Andreotti has been asked to stay on as caretaker Prime Minister.

Gilts fall to 23-month low

GILTS failed to respond to the reduction in U.S. prime rates and falls of 1/8 in shorts and 1/4 in longs were recorded.



Heart man dies

Heart transplant patient Charles McNeil died in Cambridge, Mr. McNeil, 34, from South Croydon, Surrey, had the operation 17 days ago and did not recover from anaesthesia. He was the UK's first heart transplant patient.

Smith talks call

British Prime Minister James Callaghan called for a fresh international initiative on the Middle East in view of "such a dramatic result" in the referendum in which whites backed the limited majority rule.

Mid-East move

British troops are expected to be withdrawn from the Sinai Peninsula in the next few weeks as part of a move towards a permanent peace in the area.

Rassembleur leader

A 32-year-old woman who is believed to be the first leader of the Basque separatist guerrilla group ETA was among 21 people arrested by French police on Tuesday. Madrid police named the woman as Maria Dolores Gonzalez, known as "Yoyee".

Merc arrests

Three people have been arrested in connection with the Provisional IRA's recent attack on the British Embassy in Dublin. The attack is still being investigated by the Garda Síochána.

Romania shuffle

Romania's Communist leadership has reshuffled its top jobs, with the former prime minister, Nicolae Ceausescu, retaining his post as president.

Ferret danger

A large number of ferrets have been found to be infected with a disease which could be fatal to the animals. The disease is thought to be spread by contact with infected animals.

Hess guard dies

Walter Höfer, a German soldier who served as a guard for Adolf Hitler, has died. He was 81 years old and had served in the Wehrmacht during the Second World War.

Trials

Trials of the men accused of the 1972 Munich Olympics massacre are continuing in Israel. The men are charged with the murder of 11 Israeli athletes and coaches.

Companies

Lonrho reports a 19 per cent rise in turnover to £1.2 billion for the year to September 30, with pre-tax profits up 10 per cent to £90.2 million.

BRIEF PRICE CHANGES YESTERDAY

Item	Price
Gold	£375.00
Silver	£18.50
Platinum	£1,200.00
Crude Oil	£12.50
Gas	£1.50
Coal	£15.00
Wheat	£180.00
Wool	£15.00
Cotton	£1.20
Iron Ore	£120.00
Lead	£180.00
Zinc	£150.00
Nickel	£180.00
Copper	£1,900.00
Aluminium	£1,200.00
Steel	£15.00
Timber	£15.00
Grain	£15.00
Beans	£15.00
Oilseeds	£15.00
Stocks	Various

Iran seeks talks on alterations to defence contracts

BY MICHAEL NE, DEFENCE CORRESPONDENT

The Iranian Government has asked Britain to discuss possible suspension or alteration of all outstanding defence contracts, amounting to well over £1bn of business over the next years.

A message to this effect was received from Iran by the Ministry of Defence in London yesterday. Last night the Ministry was seeking clarification of it and pending this, no stoppage of work has been ordered on any contracts.

Following the receipt of the Iranian message, it was not clear what was meant by "alteration," though the Ministry believes this to imply that the Iranians are ready to consider a slowing of the pace of work, in place of outright cancellation.

The cost of the latter, through compensation clauses in the contracts, could prove expensive for Iran.

The main contracts on which the UK is involved for Iran include:

- 1—The Shir One and Shir Iran Chahetain tank orders, for 125 and 1,225 tanks respectively, none of which have been delivered. The order is worth between £600m and £700m and probably considerably more over the years in spares.
- 2—The tanks are made at Royal Ordnance factories and powered by Rolls-Royce Motors units. An earlier order for 925 early-model Chieftains has been fulfilled.
- 3—Completion of the remaining work on the first phase of the military industrial complex at Isfahan, involving preparing structure and support for factories to make spares, tank parts and items. This is believed to be worth about £60m.

Swan Hunter has almost completed a fleet replenishment vessel at its Walker Naval yard, and Yarrow (Shipbuilders) of Glasgow expects to launch the first of four logistics support vessels for Iran in the next month.

Yarrow has some hope that its £58m contract may survive suspension, as the vessels are also designed for civilian use in emergencies. They carry only light guns.

It has been feared in Whitehall for some weeks, as political troubles in Iran intensified, that Iran would seek to cut her defence contracts with the UK, if not eliminate them.

Some contracts with other countries, including the Bell Helicopter contract with the U.S., have already been axed, and many thousands of foreign workers have left Iran, including some UK personnel.

For this reason, yesterday's Continued on Back Page

Lloyds Bank goes into home loans market

BY MICHAEL LAFFERTY

LLOYDS BANK has become the first clearing bank to move significantly into the home loans market. It began offering house purchase loans from £25,000 upwards last month.

The move will bring the clearing banks closer to direct competition with the building societies, which have traditionally dominated the market. It is likely to be followed more ambitiously by Barclays Bank as soon as lending controls are eased.

Lloyds has allocated £20m a year initially for mortgages. It expects average loans to fall between £25,000 and £50,000 but will, however, go up to £150,000 for certain applicants.

The money will be lent over 20 years and will carry interest at 3 per cent more than base rate, although this may be reduced to 2 1/2 per cent later.

This present loan will attract interest at 15 1/2 per cent. In contrast, the building society loan scale would imply interest rates of 14 per cent on loans of similar size.

Lloyds believes that it has identified a gap in the mortgage market when it will not compete with building societies.

It says that typical loan applicants will be rising young executives, accountants, and advisers who are well advanced in their careers.

Borrowers will be expected to take advantage of Lloyds Bank's insurance services and to consider mortgage protection or life assurance. Mortgages will normally be at up to 2 1/2 times income, and will be limited to one-fifth of the house price.

Lloyds will not lend for investment or specialised buildings.

Lloyds believes that a modern clearing bank should be a mortgage lender.

Its thing is supported by Barclay which said last night, however, that it believed the bank should be concentrating effort on the needs of industry.

Nannal Westminster describes the Lloyds move as "interesting and not surprising" at said that it had no plans to enter the mortgage market in that way.

Milrod pointed out that it had a similar scheme in operation for seven or eight years. He added: "We have not taken very high profile on this in recent years."

Copper tops £900 a tonne

BY JOHN EDWARDS, COMMODITIES EDITOR

COPPER PRICES rose above £900 a tonne yesterday on the London Metal Exchange for the first time since March 1977.

A rise of 53p took the cash wirebars price to £904.50 in hectic trading—one of the biggest daily increases for several years.

The rise continues an upward trend that has already this year raised prices by nearly £150 a tonne.

Rising copper prices reflect a big fall in surplus stocks following reduced supplies from the African Copperbelt. Production and transport problems have hit output from Zaire and Zambia, and strikes have affected Canadian mines.

Production cuts because of depressed prices during the past four years have also helped create a shortage of good quality copper.

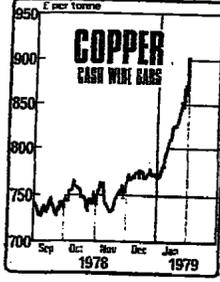
Stocks held in the London Metal Exchange warehouses have risen by about 50,000 tonnes this month and by nearly 200,000 tonnes in the past year, to the present total of only 324,000 tonnes.

Consumer demand for copper, especially from Communist bloc countries, has also helped deplete stocks. In recent weeks strong speculative buying has accelerated the price rise and brought fears that the market may have risen too swiftly.

But copper producers claim that after several years of operation at heavy losses a rise in price is long overdue.

Lead, platinum and silver prices are also reaching new peaks this week, reflecting increased interest in metal market generally.

Farming and Raw Materials Page 35



Coal aid doubts may hit pay talks

By Christian Tyler, Labour Editor

THE NATIONAL Coal Board's room for manoeuvre in pay negotiations with the miners, which re-open today, may be seriously limited by Government reluctance to increase its aid to the industry.

The board is applying for a Government subsidy rise for its running costs from £224m this year to £250m. But after its regular meeting yesterday with Ministers and union leaders, there appeared to be serious doubts that the money would be forthcoming.

Mr. Joel Barnett, financial secretary to the Treasury, told the tripartite meeting that the claims of the coal industry which the Government said in 1974 would be supported through its lean years—had to be weighed against those of other sectors of the economy.

Mr. Anthony Wedgwood Benn, Energy Secretary, who has championed the industry, raised the question of what the timetable for the return to viability should be.

Leaders of the National Union of Mineworkers took little comfort from the meeting because of the implications for their pay demand—though pay was not discussed directly yesterday.

They are claiming increases of up to 40 per cent, to give £66 a week minimum on the surface and £110 a week maximum at the colface.

In reply, the Coal Board has said so far that it can afford to set aside a major show of wages this year. That is estimated to be worth only 3 1/2 per cent on the wage bill.

The board expects to make an operating loss of £460m in 1979-80.

Today's negotiations, after a special meeting of the National Union of Mineworkers' executive, are certain to mean a closer look at the board's finances and some estimation of what Treasury refusal to increase the grant would mean.

The board will probably ask the union to see what extra money can be squeezed out through greater efficiency and the question of pit closures will probably not be far behind. The tripartite group decided to meet again in a fortnight to assess the position again.

Editorial comment Page 24

Murray calls in hospital unions' chiefs

BY ALAN PIKE, LABOUR CORRESPONDENT

UNION leaders in the local authority and health service disputes were last night called to a meeting with Mr. Len Murray, TUC general secretary, as concern grew about the mounting effects of industrial action in the public services.

Almost half the nation's 2,300 hospitals are admitting only emergency cases and most ambulance services are restricted. Local authority services in many parts of Britain are severely curtailed with the north the hardest hit, followed by London boroughs.

Local authority employers will meet Mr. Peter Shore, Environment Secretary, today or tomorrow, and tell him that they cannot settle the dispute within the confines of an 8.5 per cent formula, which would be acceptable to the Government.

The employers decided when they met union negotiators on Tuesday that it was unrealistic to make the new offer, which was certain to be rejected, although this angered union negotiators.

In another impending public sector dispute, union officials and nationalised bus operators are likely to make direct representations to the Government over pay for bus drivers and conductors. The Transport and General Workers' Union is seeking a deal similar to that won by lorry drivers.

At yesterday's meeting with Mr. Murray, the union leaders reported on the state of negotiations and on the urgent efforts they were making to ensure emergency services were maintained. Mr. Murray said afterwards that the central point was to get on with negotiations. "I am looking for co-operation from everyone—the employers and the unions," he said.

Strike effects and TUC economic committee meeting with Ministers Page 9

being sent to members. Mr. Alan Fisher, general secretary of the National Union of Public Employees, said the code was intended to avoid harm to people who could not take care of themselves. It instructs ambulance crews and hospital auxiliary staff to maintain all essential services and not impede the delivery of such supplies as drugs, oxygen and fuel.

The same points were made in a similar meeting later with Mr. David Ennals, Social Services Secretary.

In the local authority dispute, unions are issuing instructions covering the effects of the action on schools and communities. But these codes are the only let-up in a dispute which is otherwise still intensifying.

Mr. Michael Martin, national secretary of the Transport and General Workers' Union, advised his members to "step up the guerrilla actions" against local authorities. The union's finance and general purposes committee will today be asked to make such action official.

The full staff side of the Burnham Panel yesterday agreed to submit a pay claim of about 35 per cent on behalf of teachers. This is the level of increase which the teaching unions says is required to restore the value of the 1974 Heathcoat award.

Mr. Fred Jarvis, National Union of Teachers general secretary, denied that the teaching unions were being irresponsible. "Even when there was an agreed measure of pay restraint which we fully supported at the time, teachers fell behind. That is why the shortfall is now as large as it is."

Negotiations on the claim will begin early next month. Strike effects and TUC economic committee meeting with Ministers Page 9

Hard line Mrs. Thatcher

BY RICHARD EVANS, LOBBY EDITOR

MRS. Margaret Thatcher, Conservative leader, stated categorically yesterday that she would be prepared to take on trade unions if they acted against the public interest.

"If someone is confronting our essential liberties and inflicting injury and hardship on the sick, the elderly and children, then by God, I will confront them," she declared in a BBC radio interview.

She added that she was prepared to take on anyone who confronted the law of the land and the essential liberties of the country. "It's about time more people did."

Mrs. Thatcher's aggressive tone worried some moderate Tory MPs but the general reaction was highly favourable. Her supporters believed her justified in warning the unions that they could expect a tough reaction from a Conservative government to conduct that was clearly harmful to the community at large.



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EUROPEAN NEWS

VW explores car assembly in S. Korea

BY GUY HAWTIN IN FRANKFURT

VOLKSWAGEN. West Germany's biggest car manufacturer is holding exploratory talks which could lead to the assembly of its cars in South Korea.

The news follows hard on the heels of last week's announcement that VW is to embark on a joint venture with the Egyptian Government to produce its Beetle model in Egypt.

Reports from Seoul, the South Korean capital, state that the Hyundai motor company, the steadily diversified South Korean industrial group—made the first approach to Volkswagen.

Hyundai is also understood to have declined to comment on the reports. However, it should be pointed out that the South Korean Press is subject to strict government control.

The South Korean Press reported that a Volkswagen delegation was due to visit the country next week. The VW spokesman, while neither confirming nor denying this, pointed out that it was very difficult to have talks without either sending delegations to South Korea or receiving them in Germany.

At this stage, any attempts to estimate the potential size of South Korean production—assuming the deal went through—is speculation. Indeed, the 300,000 units a year mentioned in the reports is far above the 100,000 units annual output planned for Egypt.

There is no doubt that VW has ample resources for such a project despite last week's announcements. The group, which in 1974 and 1975 lost a total of DM 1bn, is today suffering from an embarrassment of riches and is eagerly seeking a permanent home for DM 3bn (\$1.63bn).

An attempt last year to buy a majority stake in Nixdorf, the West German computer group, ended in failure. Furthermore, the Chrysler do Brasil stake will cost only \$50m, while the Egyptian project is likely to cost only \$27.2m-€52.6m.

However, there are strong indications that a substantial share of the recovery can be laid at the door of the housing and industrial construction sectors.

During the first 10 months housing orders were up 32.4 per cent to just under DM 16bn, while industrial construction orders rose by 13.1 per cent to DM 12.2bn.

Public authority construction orders for over-ground construction—projects such as office blocks—increased by 22.1 per cent to DM 6.42bn during the period. Road works bookings, at the same time, rose 17.2 per cent to DM 4.19bn.

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Top men go in Romanian reshuffle

BY PAUL LENDVAI IN VIENNA

MR. NICOLAE CEAUDESCU, the Romanian President and Communist Party leader, has carried out a sweeping Government reshuffle. The changes, initiated on the eve of an important Central Committee meeting, affect some of the most powerful men in the country.

The reshuffle appears to be connected with the country's energy problems and also reflects the President's traditional method of changing top personnel. One of the most surprising moves is the appointment of Mr. Emil Bobu as new Minister of Labour.

At the same time, Dr. Heinz Krivet, the senior Thyssen executive who was brought into Eurofer as a "crisis manager" only four months ago, has tendered his resignation.

Mr. Ferry's successor as head of Eurofer is to be M. Emmanuel Tsch, chairman of the Luxembourg steel plant Arbed. It is not yet clear whether a successor to Dr. Krivet will be appointed.

Mr. Ferry's decision not to accept a second term has been ascribed to the "cumulative internal strain" of pressing for observance of steel companies of the EEC crisis plan for limited production and maintaining prices.

Dr. Krivet has refused to comment on the reasons for his resignation.

Polish income grows by 2.8 per cent

POLISH NATIONAL income increased last year by 2.8 per cent compared with 1977. This was just over half the piped growth target of 5.4 per cent, according to economic performance figures published by the National Statistical Bureau.

Planned targets for growth in both industrial and agricultural production were not reached. Industrial production grew by 5.3 per cent and agricultural production by 4.2 per cent over 1977.

The metal industry talks are traditionally among the toughest in Holland's annual wage round. The talks are now being held on an industry by industry basis following the breakdown in November of central wage negotiations involving the two sides of industry and the Government.

The metal industry trade unions are seeking a reduction in the working week to 35 hours. The employers are opposed to any reduction of hours since the industry already has a shortage of skilled personnel.

The public sector cuts totaling Fl 10bn over the next three years are expected to stimulate private industry and create extra jobs.

The Government will provide an extra Fl 65m to cover the three years to 1981 during which period an extra 10,000 jobs are due to be created in the provinces of Groningen, Friesland, Drenthe and Overijssel. Another 10,000-12,000 jobs should be created over the following four years.

The question is complicated by protocols added in 1977 to the 1949 Geneva Conventions which defined struggles for national liberation as "armed conflicts" to be governed by rules of war.

The taking of hostages in peacetime, even by liberation movements, is an act of terrorism which cannot be exempted from the proposed treaty.

Most other countries feel that to give such exemption would create an unstoppable loophole which could be used by terrorists everywhere to attack legitimate Governments.

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power output is again fallen short of change in the latest year. The removal of Mr. The former Deputy Gregoravia who, ambassador, was simultaneously promoted to Central Committee positions.

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Bank says Ireland's boom has ended

By Our Dublin Correspondent

SIGNIFICANT differences have emerged between the Irish central bank and the Government over the prospects for the economy. The bank in its quarterly bulletin, takes the view that the boom of the past year has petered out and the prospects for substantial growth are poor.

But the Government is sticking to its view that growth of more than 6 per cent is possible this year, especially if there is moderation in pay demands. Dr. Martin O'Donoghue, the Minister for Economic Planning, claimed that the bank did not have the latest statistics when it prepared its bulletin.

Crucial indicators, like cement and retail sales, were rising again after slackening in the last quarter of the year. He said and refused to move from the Government's growth target.

The bank took the view that the economy had been marking time from the latter half of 1977 and that growth for last year, never mind next, would be less than the 7 per cent which the Government expected.

It believes last year's boom was fuelled by the injection of funds by the Government to increase consumer spending, and that this cannot be repeated in 1978. It does agree with the Government, however, that excessive wage demands are damaging the economy.

The bank is gloomy, too, on inflation prospects, saying that last year's 7.9 per cent was due to special, unrepeatable circumstances. Dr. O'Donoghue pointed out that this is a considerable change from the bank's forecasts in its previous quarterly bulletin and said there was not enough information to justify such a substantial change of mind.

Deadlock at talks on hostage treaty

By Brij Khandaria in Strasbourg

AFRICAN insistence that the seizure of hostages by liberation movements should not be banned under all circumstances has caused deadlock in negotiations in Geneva on an international convention against hostage-taking.

The Africans argue that liberation movements recognised by the Organisation of African Unity should be treated as legitimate fighters in a war against racism and should not be equated with terrorists.

Most other countries feel that to give such exemption would create an unstoppable loophole which could be used by terrorists everywhere to attack legitimate Governments.

While the U.S. and France have taken the toughest positions so far, many Latin American and Asian developing countries are also worried that the door might be left open to extremists.

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Tito beats 4-nation Arab tour

BY ALEKSANDR LEJ BELGRADE

YUGOSLAVIA has beaten a four-nation Arab tour to moderate approach towards Israel. Economic issues will rank prominently on the agenda of President Tito's meetings, especially in view of the approaching UNCTAD meeting in Manila.

Yugoslavia is also anxious to carve out a greater role in Middle East markets, especially as a supplier of agricultural produce and services. It has comparatively well-developed economic co-operation with Iraq and Kuwait.

It is important to note, however, that despite poor weather conditions, the value of farm output was 5 per cent up on the 1977 figure. This rate was in accord with plan targets.

Foreign trade turnover rose by 11.1 per cent, slightly below the planned increase of 11.5 per cent.

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Bulgarian output up 7%

BY OUR VIENNA CORRESPONDENT

BULGARIA last year achieved a 6 per cent rise in national income compared with 1977, but performance fell short of the 6.8 per cent target. This is the lowest figure during the current five-year plan and confirms earlier predictions by Western observers that the 1976-80 plan, which set an annual growth target of 7.7 per cent, will not be fulfilled.

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Amnesty International 1978 Report

Growing pressure on human rights

BY ROGER BOYES

AMNESTY INTERNATIONAL, the London-based human rights group, yesterday presented a grim, comprehensive catalogue of governmental abuses throughout the world.

Amnesty aims to generate publicity about selected "prisoners of conscience"—people jailed because of their political or religious convictions—and put pressure on the governments concerned.

The group hopes that the states will not only ease their treatment of "prisoners of conscience" but also change their general attitude to political detention and the use of the death penalty.

Sometimes the approach appears to pay dividends and governments, embarrassed by the bad publicity, are forced to consider appeals for clemency or even pardon prisoners. More often than not, however, Amnesty runs up against powerful resistance to any kind of outside pressure.

Clear examples of this can be found in the annual reports of the Middle East and North Africa section. Last year in Iraq, for instance, alleged Communist Party members were executed, as were suspected Kurdish dissidents, many of whose relatives were also imprisoned.

In Tunisia, hundreds of people were arrested for trade union activities. There was a similar story in Africa, according to the report.

In Congo, Equatorial Guinea, Somalia and Zaïre suspected opponents of the regime were arrested and executed after trial or summarily killed. In Ethiopia, thousands of people suspected of being dissidents were killed in a programme of "revolutionary terror".

In Uganda, where Amnesty claims that the murder by security forces had, at times, reached "massacre proportions", members of the Lango and Acholi tribes were killed because of their tribal origin.

Amnesty also recorded cases of torture and other ill-treatment of prisoners in Rhodesia and South Africa.

Many of these countries, the report makes clear, have done little to disguise this systematic violation of rights. Sometimes they reflect long-standing tribal rivalries or a cultural tradition of severe punishment for dissidence.

Countries with legitimate opposition, like South Africa, resort to a certain amount of pretence. Prisoners are said to "die suddenly under interrogation", others die while "resisting arrest".

However, transparent these terms may appear, Western observers, they do at least send a degree of sensitivity to external pressure on human rights. The same could be said of the Soviet Union, which, as the report points out, arrests political dissidents on charges of "homicide" and "parasitism".

The Soviet Union is adamant that dissidents are not tried for their beliefs, but for breaking the laws of the land.

One of the major problems which Amnesty faces is that of biased sourcing. Information about human rights violations frequently comes from people with a vested interest in discrediting the government.

While Amnesty makes every effort to secure independent confirmation, it is also difficult to assess the national reluctance of individual reports.

Sharply critical

The dependence on refugees and dissidents for information also means that the human rights records of some countries is rarely reported. Thus the entry for North Korea simply records that the "Government maintains severe restrictions on access and travel, and the government-controlled Press has not reported any relevant human rights information."

Building industry shows signs of strong recovery

BY OUR FRANKFURT CORRESPONDENT

WEST GERMANY'S construction industry, which has been in recession for most of this decade, is showing signs of a powerful recovery. Orders for the first 10 months of last year were nearly 10 per cent up on the same period of 1977.

Total orders from January to October amounted to DM 54.49bn (\$29.5bn). Although this winter shows all the signs of being a hard one, there is little doubt that 1978 will be a good year for construction output.

The lion's share of the increase in bookings is coming from the public sector—public works being one of the first beneficiaries of the Government's attempts to stimulate the economy.

However, there are strong indications that a substantial share of the recovery can be laid at the door of the housing and industrial construction sectors.

During the first 10 months housing orders were up 32.4 per cent to just under DM 16bn, while industrial construction orders rose by 13.1 per cent to DM 12.2bn.

Public authority construction orders for over-ground construction—projects such as office blocks—increased by 22.1 per cent to DM 6.42bn during the period. Road works bookings, at the same time, rose 17.2 per cent to DM 4.19bn.

Underground construction, such as tunnelling, increased 33.8 per cent during the period to DM 10.7bn.

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Eurofer leaders to resign

By Giles Merritt in Brussels

THE TWO top men in Eurofer—the "club" that groups 95 per cent of EEC steel producers—have decided to resign. M. Jacques Ferry, the president of Eurofer, who also heads France's steel industry association, has indicated that he will be refusing a second period of office when his two-year term expires at the end of March.

At the same time, Dr. Heinz Krivet, the senior Thyssen executive who was brought into Eurofer as a "crisis manager" only four months ago, has tendered his resignation.

Mr. Ferry's successor as head of Eurofer is to be M. Emmanuel Tsch, chairman of the Luxembourg steel plant Arbed. It is not yet clear whether a successor to Dr. Krivet will be appointed.

Mr. Ferry's decision not to accept a second term has been ascribed to the "cumulative internal strain" of pressing for observance of steel companies of the EEC crisis plan for limited production and maintaining prices.

Dr. Krivet has refused to comment on the reasons for his resignation.

Polish income grows by 2.8 per cent

POLISH NATIONAL income increased last year by 2.8 per cent compared with 1977. This was just over half the piped growth target of 5.4 per cent, according to economic performance figures published by the National Statistical Bureau.

Planned targets for growth in both industrial and agricultural production were not reached. Industrial production grew by 5.3 per cent and agricultural production by 4.2 per cent over 1977.

The metal industry talks are traditionally among the toughest in Holland's annual wage round. The talks are now being held on an industry by industry basis following the breakdown in November of central wage negotiations involving the two sides of industry and the Government.

The metal industry trade unions are seeking a reduction in the working week to 35 hours. The employers are opposed to any reduction of hours since the industry already has a shortage of skilled personnel.

The public sector cuts totaling Fl 10bn over the next three years are expected to stimulate private industry and create extra jobs.

The Government will provide an extra Fl 65m to cover the three years to 1981 during which period an extra 10,000 jobs are due to be created in the provinces of Groningen, Friesland, Drenthe and Overijssel.

Another 10,000-12,000 jobs should be created over the following four years.

The question is complicated by protocols added in 1977 to the 1949 Geneva Conventions which defined struggles for national liberation as "armed conflicts" to be governed by rules of war.

The taking of hostages in peacetime, even by liberation movements, is an act of terrorism which cannot be exempted from the proposed treaty.

Key Dutch pay talks broken off

BY CHARLES BATCHELOR IN AMSTERDAM

Wage negotiations between the employers and building and heavy metal industry unions in Holland have been broken off. These two groups are the largest in Dutch industry, with about 240,000 workers in the metal sector and 288,000 in the building trades.

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The taking of hostages in peacetime, even by liberation movements, is an act of terrorism which cannot be exempted from the proposed treaty.

Most other countries feel that to give such exemption would create an unstoppable loophole which could be used by terrorists everywhere to attack legitimate Governments.

While the U.S. and France have taken the toughest positions so far, many Latin American and Asian developing countries are also worried that the door might be left open to extremists.

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President Nicolae Ceausescu

also chairman of the crucial Central Committee Commission in charge of cadres.

Key Dutch pay talks broken off

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AMERICAN NEWS

Deng hardens line on threat from Moscow

BY COLINA MacDOUGALL

DENG XIAOPING (Tong Hsiao-Ping) the Chinese Vice-Premier, once again hardened his public line on the threat posed by the Soviet Union and warned against detente...

In a tough speech at a reception here on Tuesday night, he declared that "The serious pushing of a global strategy for world domination by the hegemonists (the Chinese code word for the Russians) cannot but increase the danger of a new world war."

He went on to attack the present detente as a cover for a military build-up by the Soviet Union in preparation for wars of aggression and pointed out that Europe, too, was threatened.

The Vice-Premier accused the Soviet Union of backing Vietnam in its attack on Cambodia. That followed remarks Deng made on Tuesday afternoon at the U.S. Senate that China needs to "react appropriately" to secure its borders and must not allow the "hegemonists" to "run rampant."

U.S. intelligence sources say that in the past three weeks China has moved an estimated 10 or 12 divisions to the border area, far too large to be just a show of force. On its side, Vietnam is reported to have ordered a full military alert along the Chinese border.

Vice-Premier Deng appeared to be calling for the U.S. to stand up to Moscow's strength, noting that China would fulfil "its international duties" despite its relative poverty.

This is in marked contrast to his attitude in global discussions with President Jimmy Carter when he apparently agreed to differ on the question of the Soviet Union and accepted the U.S. policy on seeking a Strategic Arms Limitation Agreement (SALT).

It is possible that with a large team of Chinese journalists covering his American visit, the public image of his trip received in Peking has to be a tougher one than he wishes to adopt in private talks with the U.S. President.

Observers in Washington still perceive some controversy in the Chinese leadership over relations with the U.S. and while Deng's supporters are in a position of strength, he may wish to seem to be taking a harder line than he really is.

Nevertheless, Deng's harder line may have some effect on domestic American opinion. Senator Henry Jackson, known to be sceptical about detente, said on Tuesday that the Chinese attitude would not help the Administration in the forthcoming debate on SALT.

He argued that since the Chinese, who had dealt with the Russians over many years, still distrusted them, some attention should be paid to their views.

However, Deng's public line on Taiwan is no different from that expressed in his private talks with leaders here. At a reception on Tuesday evening, given by the National Committee for Chinese Americans, he told those with relatives on the island that since normalisation of Sino-American relations there were now better prospects for peaceful re-unification.

He stressed that "the Chinese Government will surely take into account the actual situation" and stated that Peking's policy would be "reasonable."

U.S.-China business, Page 6

Somoza seeks relief on foreign debts

BY DAVID LASCELLES



General Somoza

NICARAGUA cannot meet foreign debt obligations of \$150m and is refusing to seek help from the International Monetary Fund, Sr. Roberto Incer Barquero, president of the country's central bank has announced.

"At the moment Nicaragua has the capacity to pay the interest only on the debt of \$150m that is due in the middle of this year," Sr. Incer Barquero said.

He added that the Government would try to refinance some loans to pay what it owes to international lending agencies and some private foreign banks. Explaining the unwillingness of the Government of Gen. Anastasio Somoza to have recourse to the IMF, he accused the fund of playing political games and violating its own rules.

London have been expressing dissatisfaction with what they see as the Nicaraguan technique of stopping payments due to banks and consulting them afterwards.

It had been expected that the Somoza Government would have been able to meet its foreign obligation with the proceeds of the coffee and cotton harvests but these appear not to have been sufficient. The Government has been hard hit by its inability to collect taxes during the civil war which affected the country for much of last year.

At a meeting in New York next Thursday, representatives of Nicaragua's Finance Ministry and central bank are expected to seek relief on the country's multi-million dollar debts with U.S. banks. They are expected to ask for a moratorium on payments and a loan to finance the country's balance of payments

in the meantime.

According to New York banking officials, Nicaragua has failed to pay interest on its loans since last November. However, the central bank notified creditors about this beforehand, and there has been no question of declaring a formal default.

The bank also sent a mission to New York to negotiate a grace period on all interest payments due until next March, and principal payments due till next June.

The precise sums involved are hard to calculate because Nicaragua does not keep records of its total external debt and with more than 130 U.S. banks involved, there is no central record in the U.S. According to one bank, the two main items on the agenda next week will be Nicaragua's request for confirmation of the

moratorium on interest and capital payments, plus a request for general purpose balance of payments financing. Nicaragua is believed to want a 10-year loan with a three-year grace period to cover all loans maturing between 1979 and 1981.

The creditor banks, who may form a committee to handle Nicaragua's problems as they did with Peru, have not yet taken a concerted position. However, it appears from discussions with the main banks involved that while they accept the need for a moratorium, they are less happy about the loan request.

The strong U.S. political interest in the Nicaraguan situation has also produced allegations that Washington interfered with the IMF's procedures to prevent Nicaragua gaining the representation among the executive directors

U.S. paper disputes nearing settlement

By John Wyles in New York

A POSSIBLE breakthrough in the pay strikes which have disrupted the U.S. west coast paper industry for up to six months has emerged following settlement of a 207-day strike at a Boise Cascade Corporation mill at West Tacoma, Washington.

The past 12 months have been an extraordinarily unstable period for the paper industry. Some mills in Canada and the north-east have had disputes which analysts have found far more difficult to explain than the west coast strikes. These feature a relatively small union seeking to establish itself in contract renewal negotiations.

Earnings of about a dozen companies in the western states have been variously affected by the strikes by members of the Association of Western Pulp and Paper Workers. Shortages of some categories of paper have caused price increases, which benefit mills still operating normally.

About 11 per cent of U.S. paper production is located in the west but supplies have not been cut by this amount because of strenuous efforts by many companies to keep their mills operating. Crown Zellerbach, for example, has drafted a good proportion of its management and virtually all of its sales force into paper production.

The Pacific Association of Pulp and Paper Manufacturers is now hoping that the Boise Cascade settlement will provide the pattern for ending the other strikes. It is something of a breakthrough in the sense that the union dropped its insistence on a two year contract and accepted three years.

Interest rates 'not at peak'

By Our New York Staff

MAJOR U.S. banks yesterday refrained from hurrying down the path blazed late on Tuesday by Chase Manhattan's decision to cut its prime rate from 11 1/2 to 11 per cent.

Although a couple of small regional banks have similarly lowered their charges to best customers, Chase's isolation brought disappointment to the stock market, which was down more than six points by noon.

The general view on Wall Street appeared to be that even if other money centre banks follow Chase's move, the reduction will be a temporary one and that short-term interest rates still have some way to go before they peak.

Many observers read this into Chase's statement announcing the new prime rate which warned against assuming that the reduction signalled that short-term rates had topped out. Meanwhile, Mr. William Miller, Chairman of the Federal Reserve Board reasserted in New York yesterday that it would be "premature" to make such a judgment.

Chase's move does reflect, however, the decline in short-term interest rates which has taken place over the last month and the consequent reduction in the cost of funds to commercial banks.

But since this may be no more than a fairly common seasonal phenomenon, few private economists and, apparently, Mr. Miller, are disposed to believe that the U.S. economy is taking a new direction.

Thus the reduction in the prime—the first since the rate was cut to 6.25 per cent at the end of 1976—is not seen as likely to endure, although it may yet be followed by other banks.

Boost for public television funding hopes

BY DAVID BUCHAN IN WASHINGTON

A THREE-FOLD increase in funds for U.S. public broadcasting and a new structure to shield non-commercial TV and radio programming from political interference, are the main recommendations of a Carnegie Commission report, designed to correct what it calls fundamental flaws in the present system.

President Carter said in a statement that the report, which calls for a quadrupling to \$640m of the Federal Government's annual contribution to public broadcasting, would be carefully studied by his Administration. It was a previous Carnegie Commission report 12 years ago that shaped the present system.

The report recommends an annual budget for public TV and radio of \$1.2bn by the mid-1980s. Last year they had a

total of \$533m from all sources.

It makes the controversial suggestion that the Federal Government should recoup part of its \$640m contribution to this expanded budget by charging the commercial networks a fee

largely autonomous programming organisation to encourage new and innovative forms of television and radio. Short of funds and, on occasion, lacking adequate insulation from political pressure.

Public broadcasting, long the orphan of the U.S. media should receive a three-fold increase in funding, according to a report to be studied by President Carter. The Carnegie report suggests that the government should recoup part of the cost by charging the commercial networks a fee for the use of the airwaves. At present, the commercial networks get their licences free.

The present Corporation of Public Broadcasting should be scrapped, and replaced by two new bodies: a presidentially appointed Public Telecommunications Trust, and a separate,

While conceding the flaws in the present non-commercial system, the Carnegie Report criticises the state of U.S. commercial broadcasting. "The power of the communications media should be marshalled in the interest of human development, not merely advertising revenues."

The commission urges the U.S. to support public broadcasting as Britain and Japan do. But it does not go as far as to suggest a public network, integrated and national like the three commercial networks—CBS, NBC, and ABC.

If the Administration puts its weight behind the Carnegie recommendations, which it may hesitate to do given the current budgetary constraints, the report may get serious consideration in Congress, which has been drawing up its own reforms for public broadcasting.

Canadian dollar decline 'most severe in history'

BY VICTOR MACKIE IN OTTAWA

THE official Opposition in the Canadian House of Commons is demanding that the "calamitous decline" of the Canadian dollar be the subject of a full inquiry by the Commons finance and economic committee. Mr. Pierre Trudeau, the Prime Minister, is resisting those demands.

Mr. Joe Clark, the Opposition leader, said the fall of the Canadian dollar has had more impact on the economy than any budget introduced during the life of the Trudeau Government. Despite this, he charged, the Government has resisted any examination of the causes of the decline.

The dollar crisis is the most severe in the history of Canada. What we are asking for is an opportunity for the truth to be told so that Canadians have all the information about what has led to the Government's dollar policy," said Mr. Clark.

Mr. Sinclair Stevens, an Opposition MP, said the international market "has passed a devastating verdict on Canada by making our currency the softest of any of the currencies of the industrialised nations." He said the Canadian dollar has fallen 15 per cent in relation to the American dollar in two years.

The Japanese yen had gone up 77 per cent in relation to the Canadian dollar, the British pound by 33 per cent and the Deutsche Mark by 51 per cent.

The Prime Minister said he would welcome a debate in Parliament on the dollar, but resisted the committee inquiry.

APND adds from Ottawa: The Canadian Government's budget deficit widened 4.9 per cent to C\$27.6bn in December from C\$26.4bn in December 1977, Canada's Finance Department said.

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OVERSEAS NEWS

Army chief wins contest for Algerian succession

BY SUSAN MORGAN IN ALGIERS

THE NOMINATION of Colonel Benjadjid Chadli as Algeria's presidential candidate represents a victory for the army and the moderates. He would be the third President to be elected in 17 years of independence — and the first to be chosen democratically. The confirmatory vote by the Algerian electorate takes place on February 7.

Col. Chadli emerged as the army's compromise candidate after liberal support for Abdelaziz Bouteflika, the Foreign Minister, and radical support for the left-winger, Mohamed Yahiaoui threatened to divide the country in the power vacuum left by Houari Boumediene's death last December. The difficulty was exacerbated by the fact that Boumediene had appointed no

Vice-President, Prime Minister or Defence Minister.

Boumediene had succeeded in controlling Algeria's different political tendencies by force of personality and the party congress of the National Liberation Front (FLN) has clearly been anxious to avoid the infighting which plagued the republic soon after independence.

Col. Chadli's nomination is designed to neutralise left-wing and right-wing tendencies so as to maintain national unity and continuity. A known centrist and career army officer, he has not been associated with any particular faction.

He is in a strong position. As Head of State and the Army's candidate, he will enjoy its full support. But he has also been

A moderate aiming at continuity

BY OUR ALGIERS CORRESPONDENT

BENJADJID CHADLI, aged 49, who has been chosen to succeed Houari Boumediene as President of Algeria, is regarded as a political moderate, not belonging to any group or faction.

His personality lies between the extremes of President Boumediene's austerity and the playboy image of the Foreign Minister, Mr. Abdelaziz Bouteflika. Col. Chadli is known to enjoy a drink and a game of cards. He is also admired as a man of the people, equipped with common sense. His passion is sailing and he has his own yacht.

Unlike Boumediene, who lived in army barracks during much of his leadership, Col. Chadli owns a villa and is a shareholder in one of Oran's biggest hotels. He is the undisputed leader of western Algeria, which is virtually his personal fief after 15 years as military commander of Oran.

Col. Chadli was born in 1929 to well-off parents in the village of Sebba, near Constantine, in north-east Algeria. He joined the Maquisards a few months after the outbreak of the insurrection against France in 1955.

Initially he fought in the eastern region of Algeria before leaving for Tunisia two years later where he joined Boumediene's headquarters at Ghardimaou close to the border. He became close to



Col. Benjadjid Chadli

a year later, military commander of Oran, a post he has held ever since. The command is important as it is close to the border with Morocco and contains the important petrochemical complex of Arzew. Col. Chadli became a member of Algeria's revolutionary council in 1965.

When Boumediene was forced by illness to relinquish active leadership late last year, Col. Chadli became acting Chief of Staff. As Boumediene's successor, he is the army's compromise candidate and is not expected to rock the boat.

In his speech at the National Assembly yesterday Col. Chadli spoke of the need to maintain the revolution and said he would preserve Algeria's economic independence whatever the pressures. He stressed the solidarity of institutions and the need to assure continuity. As a political centrist, he clearly hopes to neutralise the country's opposing radical and liberal tendencies and to prevent instability.

However, Col. Chadli remains little known to the public at large who refer to him as White Hair, a reference to his white hair and moustache. He is also nicknamed "Jeff Chandler" because of his resemblance to the actor. He has been married twice and has several children. His present wife is 20 years his junior.

Janata unity threatened again

BY K. K. SHARMA IN NEW DELHI

THE SHAKY unity in the ruling Janata Party that seemed to have emerged just a week ago with the induction of Mr. Charan Singh as Deputy Prime Minister is now again threatened by a fresh crisis and a new confrontation among its factions seems certain.

The stage has shifted to the politically important State of Uttar Pradesh over the issue of the recent dismissal of four Ministers by the Chief Minister, Mr. Ram Narayn Yadav, who is known to be a follower of Mr. Charan Singh.

Among the Ministers in the Uttar Pradesh Cabinet dismissed — just a day after Mr. Charan Singh was taken into Mr. Morarji Desai's Cabinet — are those belonging to the Jana Sangh faction which is now in conflict with Mr. Charan Singh's group.

The reason for the dismissal is not clear but there are strong indications that Mr. Yadav acted on Mr. Charan Singh's instructions and without consulting the Janata's other senior leaders. This has angered the powerful Jana Sangh faction which Mr.

Desai must placate since he is dependent on its support. The Janata Party president, Mr. Chandra Shekhar, told reporters yesterday that "the time has come for hard decisions and that Mr. Yadav must realise that he is not indispensable." This suggests that the Janata leaders have decided not to protect Mr. Yadav if the Uttar Pradesh unit of the party rejects him.

This is likely since Janata legislators in Uttar Pradesh have demanded that Mr. Yadav should seek a vote of confidence.

Afghan rebels train in Pakistan

BY CHRIS SHERWELL IN ISLAMABAD

CAMPS inside Pakistan for refugees and exiles from neighbouring Afghanistan are being used by extremist Muslim resistance groups as guerrilla training centres in the prosecution of their war against the socialist regime in Kabul.

One such camp, north of here and only ten miles from the Afghan border, has Pakistan army guards attached to it. The disclosure will complicate

Pakistan's attempts to maintain a neutral stance on the question of the Afghan refugees, who have crossed into Pakistan in their thousands since the bloody coup which overthrew the Daoud regime last April.

Fighting in Afghanistan's mountainous eastern provinces has intensified and spread from Kunar and Nooristan provinces north into Badakhshan and west to Uruzgan.

Reliable reports received yesterday indicate that more bloody clashes have occurred in Farwan province, only 30 miles north of Kabul, involving the Afghan army with aerial support. Hundreds of soldiers and villagers are reported killed and wounded.

The number of refugees and exiles in Pakistan is officially acknowledged to be 20,000 but independent observers suggest the total is nearer 30,000.

CRISIS IN IRAN

Gulf monarchs 'have nothing to fear'

ARAB MONARCHS in the Gulf have nothing to fear from their citizens following the demise of the Shah, according to a leading Iranian mullah and supporter of Ayatollah Ruhollah Khomeini. Sheikh Babaeddin Shirazi, one of the visiting clergy from Iran who minister to Shi'ite Moslems in the Gulf, said this in an interview in one of Qatar's nine main Shi'a mosques.

He said that Arab rulers had shared their oil wealth while the Shah had made Iranians poorer. He explained: "This is my fifth visit to Qatar. Each time I come, the people possess more, whether they are Qatari citizens or not. In the Gulf, Arab leaders give medicines, hospitals and education. The Shah made us poorer as oil made him richer. He was a tyrant, worse than the Caliph who killed Imam Hussein, one of the holiest figures of the Shi'a sect."

Arab Governments in the Gulf are reexamining the positions of Iranians locally in case

they become a security threat. Expatriate Iranians are not homogenous. Gulf Iranians are categorised as follows: firstly, naturalised and un-naturalised; secondly, permanent or temporary residents; and thirdly, merchant class or labourers. In addition, distinctions are blurred by the fact that some Iranians are ethnic Arabs from south Iran and that Shi'ite-Sunni sectarian divisions are not necessarily a united community.

Estimates of numbers vary. In Qatar, the Government claims 28,000, but the Iranian community claims 40,000. These could be well established merchants in the souq or workers who have escaped the military draft. However, it does not include thousands of Qatari of Iranian origin, including some of the wealthiest men in the Arab world. Such rich merchants are an integrated part of society but they could never, for example, marry into the top Qatari tribes.

The same nuance is found in

Bahrain, where conditions are quite different. Eight years ago the ruler of Bahrain sidestepped the Shah's claim to his Emirate by the "Bahrainisation" of Iranians who comprise at least half

Michael Tingay in Doha reports on prospects for the Gulf after the changes in Tehran.

the population. Iranians there had to opt for Bahraini or Iranian citizenship. Most chose Bahraini status.

In Bahrain, where pictures of the Shah in shops are being replaced by portraits of Khomeini there is a division between prosperous and poor Iranians. Class

distinction is important in the Emirate, which has the largest Iranian community in the Gulf and a Shi'ite majority.

Kuwait used to have the most Iranians, up to 300,000 in the early 1970s. This could explain that Kuwait is 40 per cent Shi'ite. (He estimated that Bahrain was 75 per cent, Abu Dhabi 20 per cent, Dubai 30 per cent, Iraq 70 per cent and Oman 50 per cent, including small sect members from Pakistan.)

Iranians left Kuwait in droves in 1975 for better paid jobs at home in the boom. The authorities have not been unhappy to see them dwindle to 40,000. This includes storekeepers, dockers, porters and labourers, but not thousands of naturalised Kuwaitis who are ethnic Arabs from south Iran.

Kuwait and other Gulf states have been quietly regulating the flow of Iranians by refusing work and residence permits since the big exodus began last year. These include Khomeini supporters avoiding army service, peasants and farmers

squeezed by social pressures from the land, political refugees and merchant traders seeking better business conditions. Most merchants have drifted to Dubai, a traditionally more cosmopolitan centre which always has had a large but uncounted Iranian community. Persian is heard on the streets, and pictures of the Shah (or nowadays Khomeini) were seen in the shops. There are enough to justify a large charitable Iranian hospital.

The Iranian embassy there claims only 10,000 Iranians. Many Dubai citizenship holders but the figure is certainly an underestimate not least because of the influx of refugees in recent months.

Authorities have been sufficiently concerned about Khomeini supporters in Dubai to play down two sensitive facts: the large number of British and American businessmen who have come from Iran; the use of Jebel Ali docking facilities for transit storage of U.S. military equipment being rushed out of Iran.

Optimism renewed for a settlement in Namibia

BY MARTIN DICKSON

THERE IS growing but cautious optimism in Western capitals that almost two years of tortuous negotiations for an internationally acceptable settlement in Namibia (South West Africa) may be on the verge of success.

A target date of February 26 is understood to have been set for the first United Nations peacekeeping troops to set foot on Namibian soil, starting a seven-month transitional process leading to UN supervised independence elections.

However, there must remain residual doubts that success really is in sight, given the major negotiating pitfalls which have arisen over the two years since Western powers—the U.S., Britain, France, Canada and West Germany—launched their settlement initiative.

The five-power settlement proposals, adopted by the UN, provide for a ceasefire between South African forces in Namibia and the guerrillas of Swapo, the nationalist movement. This would be followed by the phased withdrawal of all but 1,500 South African troops, who would be restricted to two camps, and the holding of UN supervised elections.

Talks last month (January) between the South African Government and Mr. Martti Ahtisaari, the UN special representative for Namibia, have left

at least two substantial problems still to be resolved.

One is the composition of the UN military force. A number of traditional contributors of contingents for UN peacekeeping operations are unacceptable to the South Africans, and similar objections might be encountered on the Swapo side. Although this problem should not be too difficult to resolve, it could make it difficult to get UN troops into Namibia by February 26. Yet the UN should get some presence on the ground before the end of February if it is to square South African demands that elections be held before the end of September and UN proposals for a seven month pre-election period.

A second problem is a South African demand that the UN monitor Swapo bases inside Angola and Zambia to ensure that the guerrillas observe a ceasefire.

Diplomats believe there is little or no chance of Angola and Zambia agreeing to a UN military presence inside their borders, but are hoping that some compromise, possibly involving civilian observers, will be possible.

Despite the current optimism either the South Africans or Swapo could still cause major problems or even abort the whole process.

Smith wins referendum backing

BY TONY HAWKINS IN SALISBURY

Smith 54.4 per cent of the votes cast in Rhodesia's constitutional referendum providing for a hand-over to a diluted form of majority rule in April.

A total of 67,347 votes were cast (a 71.6 percentage poll) of which 57,269 were in favour of the one-man, one-vote constitution and only 9,814 opposed.

Domestic reaction to the result has been mainly favourable though dejected right-wingers have described the outcome as a "mandate for chaos and disaster." It is expected that a

significant proportion of the 9,800 voters who opposed the new constitution will emigrate in the next few months.

Black nationalist opinion inside Rhodesia has welcomed the result, but a discordant note was apparent yesterday when Bishop Abel Muzorewa's United African National Council called on the Prime Minister to resign immediately from the transitional Government now that the constitution had been accepted.

It said Mr. Smith's continued presence would jeopardise chances of international recog-

niton, slow down efforts to end the war and create "a lingering feeling that he still runs the show."

There was mounting speculation in Salisbury that the Prime Minister will not step down as leader of the Rhodesian Front in April as had been generally anticipated.

● In London, the Foreign Office issued a statement saying the referendum was "no measure of the acceptability of the regime's constitutional proposals to the people of Rhodesia as a whole."

Better prospects for Japan steel

BY RICHARD HANSON IN TOKYO

JAPANESE STEEL production may be on the way to partial recovery as a result of domestic demand, despite continued sluggishness of exports.

The big steelmakers are planning increases in production for the January-March quarter slightly beyond what the Ministry of International Trade and Industry envisaged late last year. The Ministry is revising its guidelines for quarterly output.

The companies had originally planned production of 26.7m

tons for the quarter compared with about 26.6m tons in the previous quarter. That is expected to rise to over 27m tons. If the January-March pace continues for the next fiscal year, output of crude steel could reach about 108m tons. That would be a 2 per cent increase over the Ministry forecast for next year which itself represents a 1.4 per cent rise over the forecast for the current fiscal year.

The industry is playing down any thought of rapid recovery. Japan has been hurt by a virtual

end of shipments to Iran and is worried about the prospects of a mild recession in the U.S. market. China has emerged as the biggest export market but prices are not very profitable.

The domestic picture, however, allows for some optimism. While the large shipbuilding market continues at rock bottom, there appears to be a modest increase in orders for smaller ships. The motor industry is not expected to lessen its demand and the present level of public works spending will continue for some time.

Businessmen warned of legal pitfalls in Middle East

BY ANTHONY McDERMOTT

THE SECOND and final day of the Financial Times conference on business in the Gulf held at the Grosvenor Hotel in London, yesterday concentrated on the technical problems faced by foreigners working there. An often-repeated theme was the need to expect a low level of experience among local professional services. This was an understandable problem in view of the extremely rapid development of the area's economies in the wake of increased oil prices.

Mr. R. M. Nelson, a solicitor, talking about how to avoid legal pitfalls, emphasised the paucity of local experience of lawyers and the fact that Saudi Arabia, for example would not recognise a legal award made under the rules of the International Chamber of Commerce.

But like Mr. Tarek M. A. Shawaf, the president of Saudi Consulting Services, he emphasised the need for using local professionals. In an analysis of the legal, accounting and auditing, and consulting

engineering professions in Saudi Arabia, he said that experience might be lacking. But a crucial contribution was know-how of local customs and interpretations of the law.

The increasing dependence on help from local businessmen has become more pressing as joint ventures—throughout the Gulf area—have become more fashionable and required in most of those countries by law. Dr. David H. Sambar, the chief executive of the Shariah Investment Company, made this point in talking about the view from the Gulf of the Arab-European business relationship. He drew attention to the fact that business is a two-way affair, with many of the oil rich states seeking to boost their long-term incomes by major investments in companies in Europe and Japan.

Dr. Ziad H. Idliby, of the First National Bank of Chicago, analysed the structure and planning of commercial operations in the Gulf. He

emphasised that, with the exception of Kuwait, "one particular area of deficiency has been, and continued to be, the lack of developed capital markets."

Although Kuwait still had its limitations its "capital market is well on its way to building up local investment opportunities, help expand the national base of the economy, and avail some breadth and flexibility to financial institutions, corporate treasurers and other investors."

Mr. Roger Azar, of Hill Samuel and Co., addressed the conference on "Inflation in the Gulf and its impact on business." He drew attention to the fact that in general the Gulf has become an extremely expensive place in which to live and do business, both for foreign businessmen and local inhabitants.

But the inhabitants of the Gulf were caught between not being equipped in administrative terms to deal with inflation

and by the fact that Western countries were not, for obvious reasons, that keen to curb the spending of Gulf states.

He concluded "the will to develop and industrialise these countries is as strong as ever and the experience gained from the previous galloping inflation and a closer political integra-

tion of the Gulf due partly to the uncertainty in Iran, makes the economic prospects in that part of the world much brighter than most Western observers are willing to admit."

Mr. Gerald Morley of Chase Manhattan Bank made a detailed presentation of the development of offshore finance in the area. He forecast that on the assumption of stability in the area, the growth of offshore banking units (OBUs) in Bahrain would continue.

The consultant's view was given by Mr. H. Ridehalgh of Sir William Halcrow and Partners. In a review of developments in different countries, he emphasised that "recent events (in Iran) serve to emphasise the problems associated with forecasting future prospects in the Middle East and in the Gulf in particular." Nevertheless he remained confident that "the Gulf still holds a tremendous potential for the British market."



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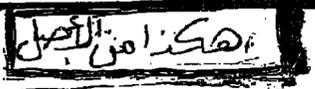
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WORLD TRADE NEWS

\$38m loan agreed for Indonesia

The Export Credits Guarantee Department has guaranteed the repayment and funding for a \$38.25m (£19m) loan which Morgan Grenfell, acting on its own behalf and for a syndicate of banks, has made available to the Department of Finance, Republic of Indonesia.

The loan will help finance the contract awarded to Lummas by PT Pupuk Kalimantan Timur for the supply of project and construction management, engineering, design, procurement, transportation, construction and commissioning services for the East Kalimantan fertiliser plant. The plant is due to be commissioned in early 1982.

The banks in the syndicate are the Chase Manhattan Bank NA, Morgan Grenfell (Asia), Banque de Paris et des Pays-Bas, Bank Bumitr Malaysia Berhad and the Tokai Bank.

Uruguay picks Kellogg

The Pullman Kellogg division and Kellogg Pan American have been awarded contracts for design, engineering, procurement and construction advisory services for upgrading a 5,000 barrel-a-day fluid catalytic cracking unit in Uruguay. Reuter reports from Chicago.

The contract, of undisclosed value, was awarded to Kellogg by the Administration Nacional de Combustibles, Alcohol y Portland, which operates the La Teja refinery in Montevideo.

Swiss arms sales drop

Swiss arms exports dropped in value by 17 per cent last year to SwFr 426m, writes John Wicks in Zurich. According to figures released by the Federal Defence Ministry, the major market remained West Germany, although sales fell from SwFr 218m to SwFr 128m over the year.

Other leading customers included Spain, with SwFr 80m (SwFr 55m), Holland with SwFr 54m (SwFr 51m) and Italy and Austria with SwFr 38m each.

Haferkamp for Tokyo

The EEC External Affairs Commissioner, Mr. Wilhelm Haferkamp, is to visit Tokyo from February 19 to 24 to discuss ways of reducing Japan's trade surplus with the EEC. Reuter reports from Brussels.

A Commission spokesman said Mr. Haferkamp's visit follows his inconclusive talks here last week with a Japanese delegation at the 98-nation GATT talks (Tokyo round) in Geneva.

Tokyo concern over imports of medical equipment

BY OUR TOKYO CORRESPONDENT

THE JAPAN Medical Appliances Association has appealed to the Ministries of Health and Welfare and Education to act cautiously on emergency imports of medical appliances.

Japanese medical electronics manufacturers are particularly concerned since medical appliances are expected to be one of the major products which the Government sponsored import promotion mission will be looking at during the visit to Britain and Ireland at the end of next month.

U.S. medical electronics have been flooding the Japanese market since last autumn and have begun to have a considerable impact on domestic manufacturers. The Japanese industry now fears a further incursion by British products and are asking the Government to give careful consideration to imports of such items. The petition has been prompted by the recent government announcement that the emergency import scheme will be extended into the 1979 fiscal year.

The Japan Medical Appliances Association and the X-ray Appliances Industry Association,

jolted by the emergency imports of medical electronics, have started research into the ill-effects on domestic industry. According to the industry it has been made a scapegoat on several previous occasions. For instance a large number of EMI brain scanners were imported during 1978-1979 following the Queen's visit to Japan, in an attempt to improve the imbalance in UK-Japan trade. And currently, as part of the Government's measures to trim Japan's trade surplus medical electronics were included in the emergency import programme because of their high unit cost.

Japan scraps watch parts pact

BY YOKO SHIBATA IN TOKYO

JAPANESE crystal oscillator manufacturers, who were accused of dumping crystal oscillators used in watches, are about to scrap unilaterally an agreement on setting basic prices with the European Community set in February 1978.

basic prices promised in the bilateral pact.

As a result, Japanese manufacturers say they have been completely crowded out of the market.

manufacturers of dumping but they were required to agree to a contract which set "basic prices."

Japanese manufacturers are protesting that European manufacturers (having recovered after the conclusion of the basic price agreement) have dominated the entire market with prices much lower than the

The original dumping charges were filed by Standard Electric Lorenz (West German subsidiary of the IIT of the U.S.) to the EEC Commission against 22 Japanese manufacturers.

These included Nippon Denpa Kogyo and Toyo Tsushinki.

The resulting Commission investigation cleared the Japanese

According to the Japanese manufacturers, they were obliged to mark up prices by 20 per cent and in the meantime European manufacturers increased production and their share of the market.

Finland cuts import volume

BY LANCE KEYWORTH IN HELSINKI

THE FINNISH foreign trade surplus in 1978 was FM 2.9bn (about \$287m), according to preliminary figures from the board of customs. Related to the value of total exports, this is the biggest surplus recorded since the Korean war boom of 1951.

actually diminished by 5 per cent.

The balance on current account was also much higher than has been expected and stood at FM 2.3bn at the end of 1978, 1.7 per cent of the GDP, compared with deficits in 1977 and 1976 equal to 0.6 and 4.1 per cent, respectively, of the GDP.

Ministry of Finance, total production is expected to grow by 4.5 per cent in 1979. The growth rate of inflation as measured by the December-December consumer price index was halved in 1978 to 5.9 per cent, and the increase in 1979 is not expected to be much more than this.

It compares with a surplus of FM 233m in 1977 and a deficit of FM 4bn for 1976.

This surprisingly good result is due not only to firmer export demand but also to the slow growth of imports last year. Imports grew by 5 per cent in value to FM 32.3bn. As import prices rose 11 per cent during the year, the volume of imports

There is also expected to be a surplus this year for the trade and the current account balances, but the totals will be smaller as the growth rate of imports will accelerate and that of exports decelerate.

The one blemish in this otherwise encouraging picture of the upswing in economic activity in Finland is unemployment.

The Government's stimulation programmes may help to bring this down from the current annual level of about 8 per cent to around 6.5 per cent by autumn 1979.

Trade talks for African Ministers

By Our Norwegian Correspondent

AFRICAN TRADE Ministers are meeting in Addis Ababa to prepare their position for next week's meeting of the Group of 77—the world's developing countries in the United Nations Conference on Trade and Development (UNCTAD)—in Arusha, northern Tanzania.

In a message to the African Trade Ministers, the Ethiopian military leader, Colonel Mengistu Haile Mariam, urged them to take concrete steps to restructure existing international economic relations which are incompatible with balanced world economic development.

He cited low prices for raw materials, exorbitant prices for manufactured goods from the developed countries, and rampant inflation as factors hampering the progress of developing countries.

He called for more developed countries to ease the debt burden of the poor countries, but attacked those nations which, he said, applied "non-economic factors" in deciding whether to cancel debts.

Mr. Edem Kodjo, Secretary-General of the Organisation of African Unity, told the meeting that it was time for African countries to form a united economic community.

Kenya and Czechoslovakia are due to sign a three-year agreement formalising trade relations between the two countries. Mr. Andrei Barez, the Czechoslovak Foreign Trade Minister, who arrived in Nairobi yesterday, said he would have talks with Kenyan officials before signing the agreement with Mr. Kindi Mwangura, the Kenyan Minister for Commerce and Industry, tomorrow.

U.S. CHINA BUSINESS

Congress holds the key

BY OUR CHICAGO CORRESPONDENT

POLITICAL AND diplomatic exchanges between China and the U.S., such as the current visit of Vice-Premier Mr. Deng Xiaoping, seem set for a boom following American recognition of the People's Republic. But foreign trade executives and some Government officials are less sanguine about any beneficial effect on the volume of bilateral trade at least in the short-run.

Japanese and European competitors have left any room for U.S. companies.

As support for their less-than-buoyant expectations, they cite such matters as the assets frozen in both countries, the heavy duties imposed on imports from China and its current inaccessibility to credit or loan guarantees from the U.S. Export-Import Bank. Businessmen also note the competitive advantage enjoyed by the Japanese, British, West Germans, Italians and French.

One trade official from the Commerce Department warns that American companies face a long struggle to catch up with these competitors. And without the removal of trade barriers, he said, it will be even more difficult.

Technology services

Over the past few years, the U.S. has shipped millions of dollars worth of wheat, corn and cotton to China and several American companies have sold high technology services, factories and pieces of agricultural and construction equipment to the Chinese despite the political and financial constraints. At the same time, the U.S. has imported foodstuffs and textiles.

The U.S. Congress will ultimately decide if the Chinese can receive Most Favoured Nation status. This would lower the tariffs on the goods sent here by at least 200 per cent to 300 per cent, making Chinese products more competitive in the U.S. and net the Chinese much-needed foreign currency to pay for imports from the U.S. But because Chinese exports are now relatively limited to small, inexpensive items, the dollars earned would not suffice to fund China's long-term buying plans. So the purchase of U.S. machinery and technology may well depend on China's ability to borrow in the U.S.

Here, too, Congress will determine whether the Export-Import Bank can offer China finance opportunities granted to other "friendly" nations. According to Mr. Robert McCullough, director of international marketing services at FMC Corporation, the diversified conglomerate, and president of the International Trade Club of Chicago, export credits will be the most significant factor in trade relations between the two countries.

Business China has embarked on a multi-billion-dollar drive to industrialise and to modernise its agricultural production. U.S. businessmen and government officials hope the Chinese will source a good portion of their equipment and technology needs in this country.

Yet few people expect Congress will hastily award China these benefits. A strong pro-Taiwan lobby still pervades Capitol Hill and technicians in the Trade Act of 1974 pose another stumbling block. The Jackson-Vanik amendment to the 1974 Act stipulates that no country shall receive Most Favoured Nation status or be eligible for credit or guarantees from the Export-Import Bank unless they

allow free emigration or provide "assurances" of their intent to do so in the future. Government officials and business executives suggest the Jackson-Vanik amendment may be the primary obstacle to expanding trade with China.

An attempt to override Jackson-Vanik in China's favour failed in Congress in 1977, although the Agriculture Trade Act of 1978 permits the Commodity Credit Corporation to extend export credit to China for certain agricultural products.

Quicker pace

Unless the legal situation changes, most traders say political recognition means business dealings with the Chinese will proceed at only a slightly quicker pace than in the past few years.

Although American business executives recognise their competitive disadvantage in China, most seem reluctant to castigate the U.S. Government for its minimal initiative in the area of foreign trade. Certainly, they favour extending Export-Import Bank privileges and Most Favoured Nation status, but they rarely suggest other kinds of active intervention.

Their diffidence is partly ideological and partly situational. Many American executives believe government interference distorts the market. So the less government involvement in the economy, the better off everyone will be.

In addition, America has historically not been dependent on the money earned through foreign trade. But expediency may win out, with the balance of payments in the red, exporting seems ever more necessary. This may ultimately catalyse the business community to lobby for direct Government aid programmes.

Russia to increase oil supplies to Hungary

BY PAUL LENDVAI IN VIENNA

HUNGARY WILL this year purchase about 10m tons of Soviet crude and petroleum products as against some 8.5m tons last year.

The Soviet Union, since 1977, has maintained contractual crude deliveries under the annual trade agreements at roughly the same level of 7.3m tons.

This means that for the balance of some 2.7m tons had to be paid for in hard currency. The Soviet union will satisfy some 75 per cent of the total demand for liquid fuels this year.

As a result of the completion of the Orenburg gas pipeline, Hungary will this year import almost 4bn cubic metres of natural gas as against 1bn cubic metres last year. The completion of a new power grid will mean that some 6.1bn kWh of electricity will be imported this year.

In all, Hungarian-Soviet trade will increase by 8 per cent to a total of 4.8bn compared with 1978. The Soviet deliveries cover 92 per cent of the total demand for iron ore, of 83 per cent for phosphate, of 66 per cent for sawn timber, 55 per cent of demand for cotton, and 51 per cent of synthetic rubber.

OECD steel committee launched

BY TERRY DODSWORTH IN PARIS

THE NEWLY formed OECD steel committee was described yesterday by its first chairman, Mr. Alan Wolf, as an "ambitious attempt to influence national decisions on the development of the steel industry before those decisions were taken."

He was hopeful, however, that "for the first time we shall be able to address these questions as policies are being formalised" and see that the views of other countries were being taken into account.

Mr. Wolf, the U.S. Deputy Special Representative for Trade, said that at an international level there were clear difficulties in dealing with issues such as industrial restructuring and financial aids because these

The steel committee's work will involve collating reports from member countries on the development of their industries. This information will then be freely available to other member countries.

India to boost engineering sales abroad

By K. K. Sharma

A STRONG delegation from the Confederation of British Industry and the Birmingham Chamber of Commerce and Industry is among the visitors from 12 major countries who will attend the third Indian engineering trade fair beginning in New Delhi on February 2.

The fair, which has now become an annual event, is being organised by the Association of Indian Engineering Industry (AIEE) in co-operation with the Government.

A strong representation of about 100 buyers is expected from the European Economic Community which is sending a delegation to tour the country while the fair is in progress. It will take part in a seminar on "Industrial co-operation between India and the EEC countries" being organised by the Engineering Export Promotion Council on February 6 and 7.

The seminar will seek to acquaint EEC buyers with export capabilities of Indian engineering enterprises in various product areas and with the types and nature of grant projects in India and other countries being undertaken by Indian companies on a turnkey or sub-contracting basis.

Efforts are also to be made to discuss with EEC buyers and prime contractors the possibilities of obtaining their requirements from India and their associating Indian companies in third country projects on a sub-contracting basis.

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Summary:		1978		1977	
		(Frs)	(%)	(Frs)	(%)
FRANCE	692,808,079	43	618,627,266	42.4
EXPORTS	917,514,774	57	939,695,900	57.6
		1,610,322,853	100	1,558,323,166	100

B) - CONSOLIDATED

Consolidated turnover (provisional, as small adjustments are still to be made) reached Frs. 1,963,000,000 against Frs. 1,691,600,000 showing an increase of 16.04%.

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Distributor loses BMW franchise

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

TOZER Kemsley and Milbourn (Holdings) is to lose its BMW car and motor cycle franchise in the UK from January next year. In 1977 these operations accounted for about £3.2m of TKM's total pre-tax profits of £5.8m.

The West German manufacturer, Bayerische Motoren Werke, will from 1980 handle its own importing and distribution and is spending £6m on headquarters and parts centre at Bracknell, Berkshire.

Last year 10,506 BMW cars and 2,518 bikes were sold in Britain. This year it aims to sell 13,000 cars and 3,300 bikes, increases of 23 per cent and 30 per cent respectively. BMW expects car sales in the UK to reach 20,000 a year by 1985.

Mr. Ken Thorogood, executive chairman of TKM, a London-based international finance and trading group, said last night that he expected the group's profit growth to continue in 1979 and for there to be no dip in 1980 despite the loss of the

BMW franchise. TKM will retain and expand its four BMW retail and service outlets which account for about 15 per cent of BMW's retail business in the UK. The results of these operations were not included in the £3.2m profit figure but profits from the personal export sales business—800 cars last year and which TKM will also retain—were included.

BMW already owns its import-distribution organisation in the U.S., France, Belgium, Italy, Switzerland, Austria, the Netherlands and Australia—the latter two were added earlier this month.

Explaining the group's policy, Mr. Hans-Eduard Schönbeck, BMW sales director, said: "No car maker, particularly in a high-value country like Germany, can afford to have two profit levels, one through wholly-owned subsidiaries and one through franchises.

"In bad years we could, if we own our distributors, opt to

break even in export markets so that we can keep production going and make our profits at the production level. But we could not ask a franchise to accept no profits, or not for long anyway."

BMW has offered to take on all the TKM employees affected by the change. Mr. Anton Hille, managing director of BMW Concessionaires GB, has, however, decided to stay with TKM's automotive division. The new managing director will be Mr. John Wagner, 46, who has been managing director of companies importing Volvo and Audi cars.

TKM's other automotive operations are all improving their performance, said Mr. Thorogood. They include the distribution throughout France of Mazda vehicles (from Toyo Kogyo of Japan); a 40 per cent stake in the company which imports Mazda vehicles, the Polski Fiat and the Polonez from Poland into the UK; UK distribution of Jeep and Daihatsu four-wheel-drive vehicles and, in partnership with Lorraine, the group which will sell Volkswagens and MAN commercial vehicles in Britain.

TKM's share price slipped 2p to 48p after the news last night. Feature, Page 24

Council inquiry into £2.7m loan

By Michael Cassell, Building Correspondent

THE Greater London Council is to hold an all-party inquiry into its dealings with the Helix Housing Association, from which it is seeking the repossession of 41 properties.

The GLC has lent the association £2.7m and claims that it is owed substantial mortgage arrears and that Helix has not met some of the other conditions attached to the loans. The Housing Corporation, which has lent £2m to the association since 1974, is also attempting to secure repayment of loans outstanding and is considering repossession of some properties.

Mr. George Tremlett, chairman of the GLC housing policy committee, said yesterday that almost £30,000 of the £105,000 in mortgage arrears owed by Helix, which is not a registered housing association, had been repaid this week.

Mr. Tremlett, who said he was "astonished" that the GLC could lend money to an association which had not produced audited reports, emphasised that he had seen no evidence to suggest impropriety.

The inquiry members will be Mr. Geoffrey Aplin, chairman of the GLC housing development committee, Mrs. Jean Tatham, chairman of the housing management committee, and Mrs. Gladys Dimson, Labour opposition housing spokesman.

New MLR rise may be unavoidable—Barclays

BY DAVID FREUD

A FURTHER rise in the minimum lending rate may be unavoidable, according to Barclays Bank. At the very least, interest rates are likely to stay at current levels.

However, in its latest economic circular the bank says it is difficult to see what a further rise in interest rates alone will achieve, given the more broadly-based nature of Britain's present problems.

"The effect of higher interest rates on demand for advances is not relevant for the short term, where the disruptions to corporate cash flows caused by the industrial crisis are likely to be the dominant influence. Similarly, an incipient funding problem is unlikely to be solved by a further upward movement in rates alone."

Barclays also says that the target range for monetary growth should be lowered because various distortions, principally the official credit controls on bank lending, are artificially depressing the expansion of the money stock.

According to the bank: "Whatever target was considered appropriate for sterling M3 without the existence of a corset, therefore, should now be lowered."

City stockbroker Capel-Cure

Myers, expects average earnings to increase by slightly more than 12 per cent over the current wage round, which will take the rate of inflation back into double figures by the middle of this year.

The firm says that even on this low inflation assumption there is bound to be a loss of competitiveness and some pressure on the pound. As a consequence it expects gross domestic product to grow by 2.5 per cent this year compared with 3.3 per cent in 1978. The balance of payments should be only just in surplus.

City stockbrokers Simon and Coates says the Government

faces a choice between continued defence of some sort of pay norm and a concerted attempt to settle the bulk of the wage round near the going rate of 12-15 per cent. Neither is politically attractive and both could backfire.

The firm says: "If the low-paid bear the brunt of the tougher policy, they are still virtually certain to receive an increase in double figures while Ministers will have weeks of disruption in sensitive areas and the political odium of the strong and the ruthless being seen to gain at the expense of the weak and low-paid."

Industrial architects' contest opens

By James McDonald

APPLICATIONS ARE now invited for the 1979 Financial Times award for an outstanding work of industrial architecture.

The aim of the annual award, the thirteenth, is to encourage industrial building and engineering works.

Aesthetic suitability is of equal importance in those areas which remain agricultural and where development of farming techniques demands buildings of an unfamiliar kind.

In places where industry has not previously penetrated, whether on sea and lake shores, on river estuaries or in New Towns, the impact of new industrial building is of prime importance.

The architect assessors this year are Mr. Trevor Dannatt and Mr. John Partridge, with the lay assessor Sir Charles Troughton, chairman of the British Council.

Applications must be received by May 4.

Application forms can be obtained after February 12, from the Financial Times, Bracken House, 10, Cannon Street, London, EC4. Entries should be marked "Industrial Architecture Award."

Selective schools 'better'

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

COMPREHENSIVE SCHOOLS in Manchester produce markedly worse results in the national examinations than do the selective secondary schools of the neighbouring Tameside area, according to statistics issued yesterday by Mr. Raymond Baldwin, a member of Manchester education committee.

Tameside is planning comprehensive reorganisation as

required by the Education Act, 1976.

Mr. Baldwin's figures show that, in comparison with pupils of Manchester's comprehensives in 1977, children in Tameside's selective schools gained 23 per cent more pass grades at Ordinary level or equivalent.

In modern languages they were 41 per cent more successful; in English 34 per cent; and in mathematics 39 per cent.

£100m scheme to aid BL car dealers

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

A NEW £100m finance scheme for distributors and dealers of BL cars will reinforce the present strong recovery in the group's home market share, Mr. Michael Edwardes, chairman, said yesterday.

The scheme, in which the National Enterprise Board will play a major part, will enable about £70m on deposit with BL Cars to be released to dealers who should be able to use the cash more profitably.

It was heartily welcomed by dealers. Mr. Ron Carbutt, chairman of the BL Cars Dealers Council, commented: "The new scheme is superior to existing arrangements and represents a considerable advantage to the distributors and main dealers in the flexibility available to them in financing their businesses."

Until now dealers have had cash on deposit with BL Cars, the amount based on a percentage of forecast sales. The system has caused severe difficulties to smaller distributors as car prices have risen rapidly and they have been called on to "top up" their deposits.

A new organisation, Wholesale Motor Finance, will provide credit on commercial terms for about 700 dealers and bring BL into line with almost every other car group operating in the UK. The main exception is Ford, which still has a deposit system.

Mr. Edwardes said: "The scheme comes at a crucial period in BL's recovery programme, when the showrooms are well stocked and morale has improved considerably. It has something for everybody. The dealers get off balance sheet financing arrangements at

very competitive rates which gives them extra profit to expand their businesses; BL has access to more finance than under the existing stock deposit scheme; and the institutions involved and the NEB have a sound investment in a commercial undertaking that will realise good returns."

Shareholders in WVF, which is providing £12.5m of the initial £100m funds, are the NEB, with 75 per cent, and finance houses United Dominions Trust, the Post Office Staff Superannuation Fund and the National Coal Board Pension Fund, with 7.5 per cent each.

Borrowing facilities totalling £87.5m have been made available—£24m by way of an acceptance credit facility—by a group of City banks arranged and managed by N. M. Rothschild and Sons, the merchant bank responsible for initiating the project.

Chairman of WVF is Mr. Alfred Singer, chairman of the trustees of the FOSSF. The managing director, seconded to the new company from UDT, is Mr. Peter Bertram, a chartered accountant who was UDT's regional director in the Midlands and formerly a director of the merchant banking arm.

Men and Matters, Page 24

Hong Kong link

London solicitors Stephenson Harwood, who celebrate its 150th anniversary this year, is forming a partnership with the Hong Kong firm of Lo and Lo. The joint firm will be called Stephenson Harwood and Lo.

Prince Charles to meet City and union leaders

PRINCE CHARLES will spend a day with the Prime Minister, keep engagements in the City, and meet union leaders as part of his official programme for the next six months, released by Buckingham Palace today.

He will also pursue his growing commitment to youth and community work, find out more about the media and keep up his interest in the arts.

It is the first time so many of the Prince's engagements have been announced at one time—there are 77 appointments in the Royal diary and the eight planned visits abroad.

The Palace said he would seek out engagements, which reflect his particular interests such as the industrial and City programmes, and planned days aboard a trawler—which was very much his own idea following a visit to Hull and Grimsby last year.

The visit to the London headquarters of the Amalgamated Union of Engineering Workers on June 8 is one of 16 engagements connected with aspects of industry.

The Prince is to speak at the annual conference of the Association of Head Teachers in Norwich on May 25.

One of the highlights of the programme is a planned visit to No. 10, Downing Street on February 13.

Six dates have been set aside for the Prince to start familiarising himself with the work of the City. No specific programme has yet been fixed but it is bound to include banking and insurance interests.

Reflecting his interest in sport, Prince Charles will attend the F.A. Cup Final, meet cricketers at Buckingham Palace, and commission a 12-metre yacht for the 1980 America's Cup.

Scottish jobs outlook bleak, says university

BY RAY PERMAN, SCOTTISH CORRESPONDENT

A GLOOMY picture of rising unemployment and falling investment in Scotland is forecast in an economic study published yesterday by the Fraser of Allander Institute at Strathclyde University.

The limited expansion caused by an increase in consumption last year is unlikely to be repeated, says the institute.

With inflation rising in response to high wage settlements, and no scope for tax cuts, real incomes will increase by much less than in 1978.

Unemployment will be pushed up by the present wave of industrial trouble, which is cutting production and fuel rationing.

Employers will be deterred from investing by the present high interest rates and the decline now being seen in corporate profits.

Some form of deflationary package looks certain, in spite of its electoral unpopularity and effect on unemployment.

Quarterly Economic Commentary, Fraser of Allander Institute, 100, Montrose Street, Glasgow, £1.

Net borrowing

YESTERDAY'S report on a sharp rise in borrowing by local authorities was misleading due to a printing error in the Central Statistical Office's Financial Statistics. Total net borrowing in November was minus £145m, not £145m, as stated. This means that net borrowing over October and November was £116m, only slightly higher than in the previous two months and half the level of the same period in 1977.



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UK NEWS

Screens 'cause no harm to eyes'

By David Fishlock, Science Editor

VISUAL DISPLAY units, the TV-like screens associated with many computer-based office and factory activities, cause no harm to the eyes provided they are installed properly.

This is the conclusion of an investigation undertaken by the Association of Optical Practitioners, representing over 4,000 ophthalmic opticians in Britain.

One of the industries studied was newspapers, by arrangement with the print unions' joint health and safety committee, because the industry foresees widespread use of VDUs in newspaper offices as a key part of the new technology.

Two ophthalmic opticians, Mr. Sam Rosenthal and Mr. John Grundy, undertook the survey, interviewing people using VDUs at work and also their own patients. Mr. Rosenthal's practice at Bracknell is in an area where VDUs are quite common.

In spite of complaints of eye-strain, headaches and tiredness they found no evidence of damage or harmful effects on eyesight as a result of using a VDU.

But they recommend certain tests that should be made on eyesight before a person is selected for training to work with a VDU. Up to one-third of employees, they find, have uncorrected or insufficiently corrected visual defects.

They recommend that careful records be kept on the eyesight of VDU users. They claim a strong case for employers to have an ophthalmic optician on hand as consultant where the use of VDUs is widespread.

They also stress that great care should be given to the design and siting of the VDU, and make recommendations on the working conditions for a user.

The report points out that although VDUs have been used for many years—for example, in military equipment since the Second World War—they have aroused little comment as a health hazard until recently.

VDU's nightmare to the operator. Available free from the Association of Optical Practitioners, Bridge House, 233 Blackfriars Road, London SE1.

Microelectronics 'will employ at least another 15,000'

BY MAX WILKINSON

AN EXTRA 15,000 to 18,000 microelectronics industry, as a consequence of the investments now planned, says a National Economic Development Council working party in a report out today.

The progress report by the Electronic Components Sector working party, warns, however, that demand for highly skilled workers in the semiconductor industry may well outstrip supply.

Of the new jobs created, it says some 4,000 will be for well qualified scientists and engineers. But it adds: "The current and growing shortage of skilled personnel in the electronics industry and, in particular the semiconductor industry represents one of the critical constraints on expansion."

"Over the coming five years, the demand for qualified scientists and engineers with knowledge of microelectronics will increase sharply... as companies compete for experienced staff."

"Current pay and salary restrictions and the erosion of differentials are not helpful in the recruitment and retention of technically qualified staff in key areas. All the user industries depend heavily on the success

of this particular industry which must therefore be considered a priority sector.

"Resolution of this specific issue cannot wait until the Government succeeds in tackling the more general question of pay determination."

The report shows that the components sector had total sales of £932m in 1977, an increase of 19 per cent on the previous year. However, imports increased by 30 per cent, and the trade deficit for the sector increased from £13m in 1976 to £42m in 1977.

In the same period import penetration of the UK market increased from 59 per cent to 63 per cent.

Projections

"The main changes since last year in the underlying assumptions are that the UK market will grow faster and exports more slowly than anticipated 12 months ago," the report says.

The working party provides three possible projections for 1980. On the most pessimistic assumptions, UK output will grow only to £1.18bn, import penetration will increase to 72 per cent, with an adverse trade balance of £300m, and employ-

ment in the industry would decline from 129,000 in 1977 to about 100,000.

On the more optimistic assumption, UK output will rise to £1.4bn, import penetration will be held at 54 per cent and the trade deficit at £64m, while employment will remain unchanged, or decline to 114,000 depending upon the increase in the industry's productivity.

This more optimistic projection is adopted by the working party as its target for the industry.

Figures show a continuing deterioration of the trade balance for two of the most important categories of components, TV picture tubes and integrated circuits. Between 1963 and 1977, the adverse balance for integrated circuits increased from £15m to £46m. For television tubes the figures were £26m and £35m.

The report recommends that technical collaboration between integrated circuit manufacturers should be encouraged wherever sensible to keep pace with competitors in the U.S. and Japan.

The working party is not opposed to the National Enterprise Board's new integrated circuit venture through its sub-

sidary INMOS, but it says the NEE should co-operate more with the working party by giving it at least as much information as private companies.

The working party considers setting up a new company as a "green field" operation from scratch as the riskiest of three main possibilities for improving UK output. However, it says that it has "never taken the view that risks as such should be avoided."

Key technology

The two other possibilities for obtaining part of the international market for standard integrated circuits are investment by an existing UK-owned company in the field. In the event, GEC decided upon a joint venture with Fairchild of California.

Finally, the working party strongly endorses the views of the Advisory Council for Applied Research and Development, which said that microelectronics was one of the key technologies for the future. It says: "If we reject or neglect it as a nation the UK will join the ranks of the underdeveloped countries."

Laker to sign £175m deal for 10 Airbus

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

SIR FREDDIE LAKER, chairman of Laker Airways, expects to sign the £175m contract for 10 wide-bodied European Airbus by the end of February, and to take delivery of the first by the end of next year.

Sir Freddie, on a visit to the Toulouse factory of Airbus Industrie, said that he was planning "a substantial increase" in his business in the next few years, although he did not disclose his plans.

But he said that his competitors in the package-tour holiday and charter markets who are buying smaller Boeing 737 aircraft "will not know what has hit them in the next five years."

The traveller wanted the greater space in the new generation of wide-bodied jets, such as the 250-300-seat A-300 Airbus and the 200-seat version, the A-310.

Sir Freddie said he would have liked to have bought more British bits "in the Airbus, for which British Aerospace makes wings."

"But it is an aircraft of outstanding quality. I was completely wrong when I said seven years ago that, at a joint venture by European governments, it would fail."

Sir Freddie said he could have chosen Rolls-Royce RB-211 engines for his Airbus, but selected the U.S. General Electric CF6-50s instead.

That was because £25m would have had to be found to instal RB-211s on the Airbus. "Airbus Industrie would not pay, and neither would Rolls-Royce, and it certainly was not going to be done."

By selecting General Electric engines, Laker Airways would have the same engines as in its fleet of McDonnell Douglas DC-10 tri-jets.

British Aerospace, which includes French, West German, Dutch and Spanish companies in addition to British Aerospace, believes that in the coming year it will sell at least as many Airbus as last year, when it sold 70 aircraft.

The Laker order will bring sales of the Airbus so far to 133 aircraft for 20 airlines, with options for another 53 aircraft.

Rolls-Royce has delivered 59 Airbuses, and is planning to increase production to 800 aircraft. It says that its existing 20 airline customers will require about 380 Airbuses by the early 1990s.

Lord Beswick, chairman of British Aerospace and a director of Airbus Industrie, emphasised yesterday the need for more constructive discussion between all aviation interests in the UK in settling new programmes.

"While British Airways should not be compelled to buy British aircraft, it was planning to spend £1.5bn on foreign aircraft. That made him wonder "if Britain's balance of payments is quite as buoyant as that commitment implies."

There ought to be more constructive discussion between the publicly-owned airline and aircraft manufacturer than there had been in the past.

tion this year from the two to three a month, and to four a month in 1980. If demand increases, the organisation could expand production to between eight and 10 aircraft a month by 1984.

Airbus Industrie is confident that this demand will emerge. Its forecasts indicate that by 1982 there will be a world requirement for 2,400 airliners of the A-300/A-310 short-to-medium range type, resulting from a tripling of the present level of air passenger traffic.

Its ambition is to win at least a third of that market, or

about 800 aircraft. It says that its existing 20 airline customers will require about 380 Airbuses by the early 1990s.

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Demand close to CEGB capacity

BY JOHN LLOYD

DEMAND FOR electricity over the prolonged cold spell has approached the limit of the Central Electricity Generating Board's capacity.

On three days—December 19 and January 4 and 5—demand exceeded 44,000 megawatts, and spare capacity was down to about 1,000 MW.

On the peak January days, the CEGB "imported" 1,000 MW from the South of Scotland Electricity Board. The Board's difficulties were increased by the "freezing" of coal stocks through industrial action.

While the Board believes that it could cope with even colder weather—it reckons that a drop of 1 degree C increases demand by about 600 MW—it is anxious to show that its margins are comparatively slim, and that there is no question of over-capacity on the system.

The national full capacity of the CEGB is 56,000 MW, but the Board points out that actual plant availability on any given day can reduce this by up to 25 per cent.

Some 2,000 MW of old plant is currently "cold," and would require some weeks to be brought into the system.

Recent figures on plant availability show that, for example, only 77.4 per cent of capacity was operating on January 2, while on January 22, 88.7 per cent of plant was available.

The board thinks it unlikely that it is near a system breakdown, as recently happened in the French electricity system.

Over the coming year, the CEGB estimates a rise in the bulk supply tariff—the price it charges the area boards for supplying them with power—of about 9 per cent.

The board believes that it is in a relatively strong position on coal and other stocks in the event of industrial action by mineworkers in support of their pay claim.

Current stocks of coal are standing at 13.7m tonnes, enough for nearly eight weeks at the current rate of consumption.

Fuel-saving schemes 'need cash'

GIVEN sensible financial incentives, combined heat and power schemes designed to save fuel could be playing a more important role in Britain's energy economy.

But some combined heat and power (CHP) schemes operating in the country waste energy, and others are uneconomic to operate.

These are conclusions from a study of industrial experience of CHP in Britain, directed by Professor Ian Fellis, professor of energy conversion at the University of Newcastle-upon-Tyne.

Some of the schemes investigated had already been abandoned, but in every case the researchers have had their facts on the scheme verified by the original operator.

Their report describes as a "very welcome development" the project at Hereford in which the local electricity board itself is installing a CHP scheme.

The authors conclude that such an arrangement—in which the scheme itself is credited with the value of the electricity produced and "stand-by" is provided by the electricity supply system—if combined with a reliable and reasonably constant heat load "could give a sensible pattern future development."

But the authors exonerate the Central Electricity Generating Board and the area electricity boards from having any "sinister" role in preventing the introduction of CHP schemes. They also point out that there is no general economic case yet for district heating, with or without electricity generation, in Britain.

Combined heat and power and the public supply. By John A. Ebley, Ian M. Dobbs and Ian Fellis, Department of Chemical Engineering, University of Newcastle upon Tyne, NE1 7RU.

Clerical staff earn 8.4% more

BY LISA WOOD

THE REAL VALUE of take home pay of secretarial and clerical staff rose by 8.4 per cent during the 12 months to October 1978, according to a survey published yesterday by the statistical services division of the Alfred Marks Bureau.

Covering the quarter from September 1 to November 30, 1978, it said the increase reflected the overall reduction in inflation and the continuing short supply of office staff, which continued to push up salaries.

Mr. Bernard Marks, chairman of Alfred Marks, said: "Our October survey revealed record office staff incomes."

The all-age, all-category, average London salary for office staff is now £59 per week (£3,068 per annum). According to the figures from September to November, demand for office staff was 29 per cent greater

than in the same-period of 1977. Central London secretaries continue to be the highest paid in the UK, with an experienced secretary earning on average £72 a week. Staff of the same experience in Liverpool and Stoke-on-Trent are the lowest paid, earning about £52 a week.

A second survey, published yesterday by Alfred Marks on the health of office staff, warns that cigarette smoking seriously aggravates ailments in the office.

Mr. Marks said: "More and more employers are specifying non-smokers in their job specifications for new staff through our branches. The survey also revealed that more and more employees are asking their employers to ban cigarette smoking completely in the office."

The survey, compiled from information taken from office staff registering for permanent

employment at Alfred Marks between October and November 1978, said that smokers suffered more from colds, migraine, toothache, heartburn and indigestion than non-smokers. Most serious of all, 79 per cent of workers who complain of heart trouble are smokers. The only two ailments that appear to affect smokers and non-smokers alike are hay fever and menstrual pains.

The main reason for absence from work was colds and influenza, which together accounted for 38 per cent of the interviewees last having been off work.

The survey said that office staff health is directly related to the working environment. The most popular improvements requested by staff were better ventilation and air conditioning. Staff offices caused a lack of concentration and headaches.

'Remove controls on inner city areas'

UNNECESSARY restrictions on private investment in Britain's derelict inner city areas must be removed if they are to be redeveloped quickly and successfully, Mr. Peter Drew, deputy chairman of Taylor Woodrow Property, said yesterday.

Mr. Drew, who is also chairman of St. Katherine in the Tower and of London's World Trade Centre, urged central and local government to have a more positive approach to the problems of private developers.

Mr. Drew pointed out the difficulties facing the private developer.

He said that while Government policy on inner cities was helping regenerate areas "before anyone becomes euphoric most private developers would add heavy qualifications."

Mr. Drew questioned the limited Government financial commitment to the inner cities and said that both national and local government could do a great deal to help solve the problem by changes of attitude, procedure and legislation.

Basing his arguments on the experience of Taylor Woodrow in the redevelopment of St. Katherine Dock in Wapping, Mr. Drew pointed out the difficulties facing the private developer.

Development Land Tax, the rating of empty property and slow planning procedures were all disincentives to developers. He repeated his call for the introduction of zones in the inner cities in which approved developers would be free from usual planning controls.

Politicians needed to "learn the facts of business life and show more understanding," if they were to win the confidence of investors and industry.

Developers were not allowed to help solve the problems of inner city areas because of "the army of municipal and national guards" to fend off the generation of much-needed new wealth.

Mr. Guy Barnett, Parliamentary Under-Secretary of State at the Department of the Environment opened the seminar by stressing the important role of the private sector, especially the smaller firms, and services industries like shops, restaurants and offices in the redevelopment of inner cities.

Other speakers at the seminar included Professor Gordon Cherry, president of the Royal Town Planning Institute, Mr. Wilfred Burns, deputy secretary and chief planner at the Department of the Environment and Mr. Edward Cunningham, director of strategic planning at the Scottish Development Agency.

Rolls Spey jet to power Italian combat aircraft

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE ROLLS-ROYCE Spey engine has been chosen to power the new Italian AMX close-support military aircraft—a decision which may eventually be worth up to £150m.

Sir Kenneth Keith, chairman of Rolls-Royce, said yesterday that the engine, in both its civil and military versions, "will contribute to the workload of our factories into the next century. The Spey family of engines continues to be one of our major production programmes."

Under the deal, Italy will undertake some of the development work on the Spey for the AMX, and it is expected that a major proportion of the engines will be made under licence in Italy.

Production of the AMX—a small, single-engine, light subsonic combat aircraft—is expected to continue for as much as 20 years, generating demand for several hundred Speys.

The version for Italy will be the Spey Mark 807, with 11,030 lb thrust, derived from the engine that powers the RAF's Buccaneer combat aircraft.

This latest deal follows a year in which Rolls-Royce signed engine contracts worth more than £2bn.

These included the sale of the RB-211 engine to Pan American for use in TriStar airliners, and orders from British Airways and Eastern Airlines of the U.S. for the new 535 version of the RB-211 for the Boeing 757 twin-engine airliner.

Other major orders included Adour engines in Jaguar fighters for India and in Hawk trainers for Finland and other countries.

Rolls-Royce has kept the Spey engine up-to-date, regularly incorporating in it the latest technology, so that the company is confident of further major export deals.

Helicopter boom expected

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH AIRWAYS Helicopters won 10 new contracts last year in the offshore oil industry, and has a number of others in negotiation. As a result, it is expecting to more than double its capacity by 1985.

Mr. Don Courtney, marketing manager, says in the staff news letter, Heli-world, that the company has 28 helicopters and about 35 per cent of the market for supporting North Sea oil development and production.

According to most informed sources, there are at least 16 further "funds" which will be developed between now and 1985. There are more than 20

"discoveries" needing more drilling and appraisal, but which have potential for future development.

These will generate substantial demand for helicopter support work, and the company will be bidding for contracts.

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Change in wage-fixing proposed

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

MONETARY and fiscal policies, or incomes policies of any of the kinds tried so far, are not enough to permit a return to full employment, according to Mr. Maurice Scott, an Oxford economist.

In a book published today, entitled "Can we get back to full employment?" Mr. Scott maintains that increased public sector employment, work-sharing or work subsidies may be ineffective or even counterproductive, and are certainly very costly.

"Nor can we put the blame on balance of payments difficulties, so that neither North Sea

oil nor import restrictions will solve the problem. We are not, all the same, at the mercy of some unprecedented technological development which is bound to destroy jobs. We can get back to full employment if only we can once more reconcile low unemployment and high profits with moderate wage increases.

Mr. Scott argues that a necessary condition for a return to full employment is some radical change in the system of fixing wages. This can be done only when trade union leaders believe it is necessary and can convince their members.

The book suggests that the

increase in structural unemployment is mainly due to the falling share of profits in manufacturing industry. A theory of labour-using and labour-saving investment is outlined which shows that the lower the share of profits, the lower total investment will be and the more will such investment as remains take the form of labour-saving investment rather than labour-using.

Mr. Scott's collaborator, Mr. Robert Laxter, examines the definition of full employment, noting that the average rate in the 20 years after the last war was 1.7 per cent. Mr. Laxter concludes that about 1 per cent

more unemployment now could be accounted for by changes in the habits of those who register as unemployed and the increased rate of unemployment benefits to earnings net of tax.

He points out that some new estimates of this ratio are higher. Although these could affect attitudes to work if they are allowed to persist, it seems unlikely that most of the 1977 average of 6.3 per cent unemployment can be explained in this way.

"Can we get back to full employment?" by Maurice Scott with Robert A. Laxter. Macmillan Press, 7.5s. (hard cover) and £3.50 (paperback).

Royal Re

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BBC seeks long-term solution to cash crisis

BY ARTHUR SANDLES

THE BBC objects to being forced into debt, and regards its borrowing limit increase by more than three-fold to £100m as a temporary measure to meet present problems. That was made clear last night by Mr. Ian Trethowan, BBC director-general.

Speaking at the first Royal Television Society TV Journal awards in London, his comments reflected the corporation's mixed reaction to the Government move to avoid a cash crisis which would have come at the end of March without some form of help.

The BBC is pleased it did not get a grant in aid—something it has always avoided because it feared a threat to its independence—and yet it is worried it has to borrow substantially now to pay day-to-day bills.

"We do not like being forced

to run further into debt, and we hope that the increase in the BBC's borrowing powers is intended to provide a breathing space during which new permanent arrangements can be made," said Mr. Trethowan.

He went on to welcome general Parliamentary support for a continuing of the licence fee system. "We believe it is very significant that the Government is evidently determined to make the licence system more viable," he said.

Ways had to be found, however, to make it more acceptable to the public by collecting it in smaller amounts.

In the awards, ITN won the prize for the best hard news programme—coverage of Eritrea—and Thames Television the prize for a complete news feature—Nick Downie's coverage of Rhodesia.

Other awards were: International current affairs; ITN for News at 5.45 by satellite from the International Broadcasting Convention at Wembley; Daily News Magazine; Southern TV for Day by Day (November 30).

Current Affairs documentary: BBC Scotland for Power of Decision—British Communism; Specialist Documentary: Horizon (BBC) for Now the Chips are Down.

Honour: BBC Midlands for There's a Dog on the Roof; Regional News: BBC Plymouth for Oil Rig Rescue.

Current Affairs, contextual reporting: BBC for Didcot Disaster; Cameraman of the Year; Peter Regan of the BBC Television Reporter of the Year; Michael Nicholson of ITN.

More shops offer credit

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

TWO MAJOR High Street retailers yesterday joined the growing number of shops offering their own credit card facilities.

International Stores, the supermarket subsidiary of EAT Industries, announced that it was launching a shoppers' credit card in the spring which would cover both food and non-food purchases. F. W. Woolworth has also announced plans to introduce its own credit card in about three months time.

These moves follow plans announced by other major retailers, including Fine Fare, Tesco, Eran, the Co-operative stores, and Lasky's audio chain, to offer shoppers personal credit card facilities. Marks and Spencer already operates its own credit card system in some stores.

International Stores claimed

yesterday that its credit card, which will be available only in its existing eight superstores, means it will be the first supermarket chain to allow credit card purchases for both foods and non-foods.

The International scheme is being operated by Barclaycard, the retail credit arm of Barclaycard. Card holders will have to pay a minimum of £5 per month which will allow purchases of up to 24 times the monthly payment. International says the interest rate will be fixed to be competitive with other similar credit cards.

Woolworth's new credit card will be introduced initially into 70 of the company's largest stores and then extended into the remaining 3,000.

It will be run by Bradford-based Unicredit Finance, a subsidiary of the Provident Financial Group, and will also

enable card holders to have 24 times the monthly payment in credit.

Woolworth's said yesterday that unlike other retailers' credit card schemes, its card holders would not need bank accounts and would not be issued with special cheque books to accompany the cards.

Unicredit also announced details yesterday of a personal credit card for Vallance and Davison, an electrical retailing chain based in Yorkshire.

International Stores has not yet finalised plans for the future of its Green Shield trading stamp franchises in 100 stores which are due to expire later this year. Plans may include axing stamps in some stores where they have not attracted sufficient extra sales volume. But other stores are likely to go on distributing them.

Dockers may seek deals over 10%

BY OUR LABOUR STAFF

EMPLOYERS AT major ports believe they will be unable to settle with dockers below 10 per cent and that some settlements may be considerably higher.

They are hoping, however, that rises above the 5 per cent guideline will be achieved through productivity deals.

Dockers at three ports—Avonmouth, Grimsby and Immingham—have been on strike in response to offers of about 5 per cent and industrial action, including work-to-rules, has been mounted elsewhere.

At about 10 ports dockers have concluded deals which employers say are within the guidelines, although some have been topped up by considerable self-financing productivity payments.

These include a number of small ports like Ipswich, Yarmouth and Preston and larger operations, including Glasgow and the Tees. Settlements are thought to range up to 11 per cent.

The settlements only cover about a tenth of the 28,000 registered dock workers. Most of the major ports, including Hull, Southampton, London and Avonmouth, where agreements run from January have still to settle.

Dockers at these ports have been holding back in negotiations in view of pay developments within the private sector. The size of recent settlements here will make negotiations at these ports even more difficult.

Government may face State buses pay call

BY NICK GARNETT, LABOUR STAFF

UNION OFFICIALS and operators of State bus companies are likely to make direct representations to the Government about the impending battle over pay in passenger transport.

Mr. Larry Smith, the union's passenger transport secretary, said that though the employers had made no formal offer, he believed they would not be prepared at the moment to offer more than 5 per cent.

The union seeks a similar deal to that of the lorry drivers, who are negotiating settlements of more than 20 per cent on basic rates.

Mr. Smith said that there was no possibility that bus

Workers' Union for "substantial" increases on basic rates and other payments. It will report back to the council next Thursday.

Mr. Larry Smith, the union's passenger transport secretary, said that though the employers had made no formal offer, he believed they would not be prepared at the moment to offer more than 5 per cent.

The union seeks a similar deal to that of the lorry drivers, who are negotiating settlements of more than 20 per cent on basic rates.

Mr. Smith said that there was no possibility that bus

drivers would accept 5 per cent.

The union did not believe that the bus companies could afford to pay the kind of settlement the drivers sought. Representations to the Government were therefore necessary.

The union's claim also covers 50,000 drivers for London and municipal authorities, and 20,000 for Passenger Transport Executives. Basic rates outside London are about £40, and about £35 in the capital. Average earnings are £105 in London and £82 to £85 outside it.

Key plants recall workers as more lorry men end strike

FINANCIAL TIMES REPORTER

INDUSTRY continued recalling laid-off workers yesterday as more striking lorry drivers in key areas of Britain, including Northern Ireland and Scotland, reached settlements with employers on new minimum top rates of either £84 or £65.

Three-quarters of British Steel employees made idle by the dispute have been recalled. In the Sheffield division, where 14,000 are returning to work, most production processes should be operating tomorrow.

In South Wales, the three tin plate plants, which supply the can industry, will resume production following the recall of 6,500 employees. Scunthorpe's No. 2 rod mill and its continuous casting plant will become operational with the recall of 1,400 out of 2,000 workers laid off in the division.

Following the resumption of tinplate making in South Wales, the company hopes that by the end of next week production will be near to normal again at the 12 of its 36 plants where staff have been laid off.

Scottish manufacturers called back more workers yesterday, lowering the estimated number of layoffs to 26,500 from 30,000 the previous day and 34,000 on Monday. The estimates comprise employee figures from 200 leading companies with more than 500 workers.

More lorries were delivering essential goods and supplies to manufacturers. The Confederation of British Industry estimated that between 400 and 500 lorries were now operating. Secondary picketing has virtually disappeared and more own-account vehicles are able to collect finished products and raw material supplies.

companies and would have to be replenished.

BP Chemicals said the picture was "looking much brighter" although it would be some time before production and deliveries were back to normal. However, snow-covered roads were not being gritted in many areas and other industries were competing for lorries that were now available to clear blockages.

Imperial Chemical Industries said the position was "improving" — except in the North West where picketing had actually been stepped up.

ICI said its production was running at 70 per cent of normal — a 10 per cent increase on last week — while its despatches were up from 33 per cent to 60 per cent of normal. The group estimates it has lost £100m of sales because of the lorry strike.

The number of British Steel staff laid off is now down to 5,350 from a peak of 27,250 at the beginning of the week.

Metal Box, the can and packaging company, stepped up the pace of recall notices to its factories in Britain and Northern Ireland, including those at Westhoughton, Wisbeck and Carlisle.

The Freight Transport Association said that shortages of raw materials were still critical for many manufacturers as many hauliers had not resumed work.

The CBI said that it would take a week or more for normal production to resume in factories. Stock shortages were still critically low in several

Only 100 containers with imported general cargo were moved out of Felixstowe, compared with over 400 on Monday as vehicles remained in short supply.

British Shipbuilders said yesterday: "We have told the owners that we are totally satisfied with the assurances given us by representatives of all the workforce at Swan Hunter and we have confirmed that the contract will be completed on time."

● Boiler-makers at the Vosper Thornycroft shipyard decided yesterday to "black" HMS Southampton, the destroyer secretly launched by management at the yard on Monday night.

The destroyer has still to be fitted out, and the men, who would be responsible for steel work and welding, say they will refuse to work on her.

A mass meeting of other shipyard workers yesterday rejected a call for a one-day strike over the launching.

Lonrho not to sue over profit forecast

By Christine Mall

LONGRHO is not after all to sue Dunford and Elliott over the profit forecast which it made—and then missed—at the time of the takeover by Lonrho last year.

Yesterday Mr. Robert Dunlop, a Lonrho director, said that Lonrho had completed its investigations and "no proceedings are contemplated."

However, Dunford's figures will be scrutinised by the Takeover Panel which had earlier announced an initial investigation into the affair. This was suspended while there was a chance that Lonrho might seek a legal remedy.

Lonrho has now handed over all the details to the panel which has taken up the matter once again.

At the time of the takeover, Dunford's board forecast profits of £5m but turned in only £1.7m pre-tax.

EEC provides £13m for UK projects

BY ANTHONY MORETON, REGIONAL AFFAIRS EDITOR

BRITAIN HAS received another £13m from the Common Market's regional development fund towards projects in the assisted areas.

The grants actually go to the Treasury although they are given for specific undertakings. A Government department will have already assisted projects financially so the EEC money will go into central finances.

The intention of the regional fund is to assist projects financed by public authorities which are directly linked with the development of industrial activities. Even within the assisted areas priority areas have first call on the finance. The largest amount went to

Scotland, which received £14.9m. England received £5.24m with the North West getting £2.71m, Yorkshire and Humberside £1.71m and the South West £316,000. Wales had £2.28m and Northern Ireland £1.7m.

Among the projects aided were several docks schemes. At Ellesmere Port, the extension of the existing terminal was assisted and a 32-tonne derrick, a weighbridge and new roads were provided at Garston docks in Liverpool, as well as a second set of dock gates at the Gladstone river entrance, Liverpool. Electrified capstans at Immingham dock's lock entrance also qualified for aid.

New bid to damp down pay claims

By Christine Tyler, Labour Editor

MINISTERS and TUC leaders were yesterday discussing ways of damping down pay claims and settlements.

Although the Government has given up hope of getting the TUC to agree a new pay norm, it is hoping to persuade it to exercise some voluntary restraint for the rest of this wage round.

The meeting was the latest in a series of talks designed to work out a joint agreement within weeks on economic and industrial relations matters, ready in case the Government is forced into an early election.

The TUC economic committee was considering yesterday how the TUC itself could influence the rest of the wage round.

Ministers fear that each wage settlement is tending to be larger than its predecessor, and are particularly concerned to prevent a double-digit settlement for the public service workers in order to break the spiral.

A suggestion in a TUC paper for a single pay date as one of the reforms of collective bargaining for the longer term was turned down as unrealistic yesterday.

Today Mr. Albert Booth and other Ministers will talk about picking the closed shop, strikes and how they affect emergency services—and inter-union disputes with the TUC employment policy and organisation committee.

The four economic Ministers, led by the Chancellor, and Mr. Michael Foot, Lord President, will meet the TUC economic committee again on Monday. A special general council of the TUC has been called for next Wednesday.

Pensions plea to British Shipbuilders

THE ASSOCIATION of Independent Businesses has asked British Shipbuilders not to include provision for inflation-proofing of pensions in its proposed new pension scheme. The association believes that such a provision for index-linking should be excluded "as a matter of public policy."

This request was in a letter from the association to Adm. Sir Anthony Griffin, chairman of British Shipbuilders.

It said that because of high rates of inflation the pensions of the public sector were becoming increasingly divergent from those of the private sector, since public sector pensions were index-linked.

The association considered that this gross inequity could not be justified, and that steps to "rectify the situation" were long overdue.

It claimed that if employees of British Shipbuilders and those of other newly nationalised industries were to have "the privilege" of inflation-proofing bestowed upon them, then the gap between public and private sectors in conditions of employment would become "even more exaggerated."

Draughtsmen reject call for ban on Swan ship

DRAUGHTSMEN at Swan Hunter Shipbuilders on the Tyne have rejected appeals from union leaders and colleagues on the Tees not to undertake work on an £18m refrigerated container ship.

The decision means that the work will not be transferred to West Germany and 800 jobs at the Walker naval yard will be guaranteed for more than a year.

Swan Hunter has obtained assurances from Tyne shop stewards that the vessel built for East Savill Line, will be built on time.

It is understood that the Tyne draughtsmen told their union leaders and Swan Hunter management that they had no grievance with the company, and were not prepared to risk losing the ship and the jobs over the Tees dispute.

Draughtsmen at the Haverton Hill yard on the Tees are refusing to work with supervisors in the Engineers and Managers Association and have done no work on drawings needed by Swan Hunter for the ship since mid-December.

The Tyne draughtsmen, members of TASS, are to prepare the drawings from scratch. The Walker yard needs the

ship as the only work it has at present is a supply vessel for the Indian Navy, in the last stages of being fitted out, and a small cargo ship, also being fitted out.

Since the Haverton Hill industrial action, British Shipbuilders has granted national recognition to the EMA and TASS is urging its members not to cooperate with managers in protest.

British Shipbuilders said yesterday: "We have told the owners that we are totally satisfied with the assurances given us by representatives of all the workforce at Swan Hunter and we have confirmed that the contract will be completed on time."

● Boiler-makers at the Vosper Thornycroft shipyard decided yesterday to "black" HMS Southampton, the destroyer secretly launched by management at the yard on Monday night.

The destroyer has still to be fitted out, and the men, who would be responsible for steel work and welding, say they will refuse to work on her.

A mass meeting of other shipyard workers yesterday rejected a call for a one-day strike over the launching.

Big wage increases claimed by power workers

By Philip Bassett, Labour Staff

POWER WORKERS yesterday formally lodged a claim for substantial pay increases, a reduction in hours to a 35-hour week and other improvements.

No estimates of the value of the claim were put forward yesterday at the opening of formal negotiations between the unions representing 95,000 electricity supply manual workers and the Electricity Council.

Yet the trade union side made it clear that "substantial" increases would mean rises "far in excess" of the Government's 5 per cent limit and that it would be studying closely the progress of the parallel claim by 260,000 miners for increases of up to 40 per cent.

The union side is prepared to admit that a reduction in the present 40-hour working week by five hours will be a "formidable" element of the claim to achieve, particularly in the light of the failure of similar claims in the motor, chemical and rubber, and road haulage industries.

However, manual workers are looking at the technical grades of staff in the industry, who they claim have proportionally higher earnings for a 38-hour week.

The claim also includes consolidation of an £11 performance-related bonus and an improvement of differentials for craftsmen. The employers are expected to reply to the claim at a meeting of the National Joint Industrial Council on March 8.

Average earnings in the industry, including the £11 bonus payments, £3.60 from a self-financing productivity scheme and shift and unsocial hours allowance total £75 for labourers, £90 for craftsmen and £115 for foremen.

Rail clerks may act on ASLEF pay

By Philip Bassett, Labour Staff

WHITE-COLLAR railway staff were prepared to take "militant" action if members of the train drivers' union, ASLEF, which halted all rail services in four one-day national strikes last month, won larger increases.

Mr. Tom Jenkins, general secretary of the Transport Salaried Staffs Association, said yesterday.

The dispute over ASLEF's claim for a 10 per cent special responsibility allowance will be studied by an independent tribunal headed by Lord McCarty, industrial relations lecturer at Nuffield College, Oxford. The same tribunal examined the claim last year, and broadly rejected its terms.

Mr. Jenkins said yesterday that Lord McCarty would face a problem in dealing with the claim, which led to the spate of national stoppages.

His previous findings, recommending payments of £3.14 for high-speed train drivers, had satisfied neither ASLEF nor the British Railways Board. But any move from that position would be likely to inflame the productivity dispute between the three rail unions.

"We are not a very militant organisation, but our members are hoping mad about this stoppage industrial action. The members are threatening industrial action."

'Silver bank' hearing adjourned

HIGH COURT applications by Kendal and Dent, the London "silver bank" to continue trading under a special manager, pending the hearing of a Department of Trade petition to wind up the company, were adjourned yesterday until February 12.

Mr. Justice Vinelott said it was impossible to proceed with the application — which was opposed — on the existing evidence. This means that the hearing of the petition, due to resume next Monday, will have to be deferred until after the present applications are decided.

The petition was presented by Mr. Edmund Dell, the Trade Secretary, on December 15, when the Official Receiver was appointed provisional liquidator.

The bank now seeks the removal of the provisional liquidator but is willing to remain under the control of his nominee, the special manager, if it is allowed to reopen for business.

Mr. Anthony Lincoln, QC, for Kendal, told the judge: "We desire to continue to trade, without the stigma of the Official Receiver, in the interests of the public and ourselves."

The Official Receiver, who on Tuesday obtained leave to return money deposited by customers in ignorance of the petition, will continue to be represented.

He cannot be discharged, as the bank wishes, until an order is made under Section 227 of the Companies Act. And that order cannot be made until he has had a chance to answer the bank's evidence on solvency and the guarantees it proposes to give.

GDP grows 'faster in development areas'

BY OUR REGIONAL AFFAIRS EDITOR

A PICTURE of Britain in which gross domestic product grew faster in Scotland, Wales, Northern Ireland and the Northern economic region of England than for the UK as a whole during the early 70s is presented in the 1979 edition of Regional Statistics, published yesterday.

Although the figures often relate to the period between 1970 and 1975, and never go beyond 1977, they indicate the extent to which Government policies have helped those areas most in need.

There are indications, though, that the advances made between 1970 and 1975 have not always been carried through since. In the North, which covers the counties of Cumbria, Northumberland, Durham, Tyne and Wear and Cleveland, growth in

GDP between 1975 and 1976 was at about the UK average, which indicates a "slowing down in the north's economy."

The report adds that "this relative deterioration may have continued more recently, as the unemployment rate in July 1978 was much higher than the average for 1976."

The report that people move home most frequently in London, stay longest in the same home in South Yorkshire and the North-west, have more central heating in East Anglia, the fewest refrigerators in Northern Ireland as well as the lowest proportion of colour TV sets, and pay more for their houses in and around London.

Regional Statistics, 1979 edition, Central Statistical Office. SO: £7.50.

Silver auction totals £101,157 at Christie's

A VICTORIAN helmet-shaped ewer and basin by Robert Garrard, weighing 313 oz, sold for £4,800 at Christie's yesterday in a silver auction which totalled £101,157.

It was bought by Koopman who also paid £3,500 for a George I coffee pot by Timothy Lee; £3,600 for a Dutch two-

was made by J. S. Hunt in 1865.

At Sotheby's modern British paintings brought in £47,002. Frost and Reed paid £1,500 for Summer Flowers in a Vase by Cecil Kennedy. A Belfast dealer gave £1,800, four times the forecast, for Come to Ireland by Paul Henry, a sketch for the poster used by the LMS railway about 1910.

In New York on Tuesday Sotheby Parke Bernet sold the late Nathaniel E. Stein's collection of American letters and autographs for £179,824. A document signed by President Harrison in 1841, six days before his death, was bought by Forbes Inc. for £11,055. A letter from Benjamin Franklin made £10,050.

Hospital disruption hits hardest in North

FINANCIAL TIMES REPORTER

ACTION BY ancillary workers severely affected hospital laundry services and supplies of sterile equipment across the country as a result of the public service pay dispute. Hospitals in the North of England were hardest hit with 172 operating only a skeleton service.

Throughout the day the situation in London continued to deteriorate with more hospitals facing closure as members of the National Union of Public Employees stepped up their action.

Workers at the Queen Elizabeth Hospital for Children in the East End were last night considering stronger industrial action after what they described as a "pointless" meeting with Mr. David Ennals, Health Secretary.

Mr. Ennals faced angry hospital workers when he visited the hospital yesterday afternoon. After being shown piles of soiled laundry and rubbish, Mr. Ennals appealed to the workers not to intensify their action. He emphasised special provisions for the low-paid domestic and dining-room staff joined the strike. A dispute at the central laundry in Carshalton closed most of the hospitals in the South-West Thames region to all but emergencies.

Hospitals in Luton, Dunstable and Edgware were also badly affected.

In the North, about 172 hospitals were handling emergencies only with the main problems being lack of laundry supplies and a build-up of rubbish.

Six other central London hospitals faced closure after

workers were ordered out on strike. The order means that more than 500 engineers, porters, cooks and cleaners at the 450-bed St. Stephens Hospital in Chelsea, and the smaller St. Mary Abbots hospital, Kensington, will join the strike. Four hospitals in Westminster are already affected, and Westminster Hospital and the adjacent children's hospital have closed their doors to all new admissions after a dispute over the cleaning of some wards.

The Westminster hospitals were yesterday running out of heating fuel after pickets stopped oil deliveries.

In the North-East Thames region, two hospitals, including the 485-bed Harold Wood hospital in Essex were closed to all but emergencies after domestic and dining-room staff joined the strike. A dispute at the central laundry in Carshalton closed most of the hospitals in the South-West Thames region to all but emergencies.

Hospitals in Luton, Dunstable and Edgware were also badly affected.

In the North, about 172 hospitals were handling emergencies only with the main problems being lack of laundry supplies and a build-up of rubbish.

Six other central London hospitals faced closure after

Yorkshire remained affected by the dispute with Harrgate's two main hospitals, appealing for public help to maintain vital services. At Hull Royal Infirmary, kidney patients have been asked to fetch their own supplies for kidney machines after a strike by stores men and drivers.

In Trent a continuation of the lorry drivers' strike is having a severe effect on linen supplies while the water workers' dispute is affecting the kidney unit at Lodgecroft Hospital, Yarmouth. West Suffolk and Bury St. Edmunds hospitals in East Anglia are closed to all but emergency services as are those in Bolton, Manchester North, Oldham, Stockport, Tameside, and Lancaster.

Strike action has hit all but one of Birmingham's six hospitals stopping all but emergency admissions and sending home hundreds of patients. Porters in Coventry are striking but, in Lincolnshire, union officials have asked laundry workers to return to work because of the effect on local hospitals.

In Wales, lightning industrial action disrupted most hospitals while in Northern Ireland all four unions representing hospital ancillary workers start an

overtime ban and work-to-rule next week. Plans for a five-day stoppage have been postponed.

Ambulancemen in virtually all areas in England were answering only emergency calls and working to rule but in East Anglia some men returned to normal work after receiving an interim £7.50-a-week bonus.

Across Britain, more local authority workers joined the strike after pay talks with employers on Tuesday failed to make progress. Refuse collectors in at least 40 cities in England were on strike, with the worst affected areas again being in the North. Seven London boroughs were without refuse collections and, in Liverpool and Manchester the cities' incinerators were closed.

Westminster City Council, faced by an all-out strike by its 541 refuse collectors, has opened emergency collections in parks and gardens throughout the city. One of the sites opened yesterday was at Leicester Square with extra dumps expected to be opened today.

Mr. Peter Shore, Environment Secretary, urged gravediggers to return to work after disruption of funeral services in some areas including Liverpool, Manchester and Southwark.

Sewage services continue to

be affected in Wiltshire and Southwark but water supplies throughout England are being maintained. About 1,600 water workers belonging to NUPE have been authorised to cut off supplies to factories in the Severn Trent Water Authority area from Monday.

In Scotland disruptions in the local authority services were stepped up even though pay talks between the four unions were not resolved at the end of the day.

Many of NUPE's 61,000 members were reported to have walked out yesterday, affecting water supplies, sewerage and drainage depots and some technical colleges.

The action is part of a strategic strike which will intensify this week, hitting hospitals, ambulance services, road gritters and rubbish collecting.

Several regional councils said that they had not received the agreed 24-hours' notice of official action. But a NUPE official from Aberdeen said that the action was unofficial.

"By Friday, many more NUPE members will be on strike and by Monday 100 ambulance drivers and laundry workers in the Grampians will have closed every hospital in the Highlands," he said.



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Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

RETAILING Stocktaking costs cut to the bone

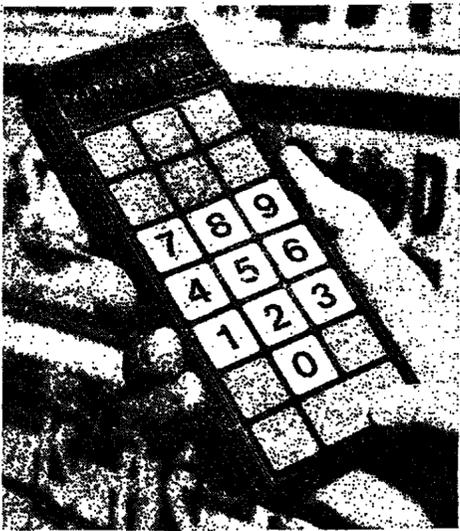
HALF THE price of the lowest-cost stock recording equipment on offer and half the size of the smallest hand-held unit so far put on the market, a recorder for shop and store stock-taking applications will open up a wide new market for itself.

Developed for UCSL Microsystems, offshoot of Unilever's computer services group, the M25 costs £320. In pricing prices to the bone, though the device contains some state-of-the-art electronics and is unlikely to fall further in price for some time, Microsystems believes it will attract many new users among smaller businesses who were put off by the initially much higher cost of the recorders.

For Europe, a market potential of £165m for 4m units is foreseen. These figures include £20m for the UK food retail trade alone.

The M25 is being made in the U.S. by Norand in the UCSL specification, but manufacture will start in Britain when the European sales volume reaches the right level.

What the device does is to capture information on existing stocks by simple keying in of code. It has memories of 4,000 or 8,000 characters, as required, and will operate for 16 hours on a single charge. Memory is non-volatile. There are no moving parts and acceptance



of a keyed order is acknowledged by a beep. Included in the equipment is an acoustic coupler over which the unit can communicate with a stock control computer at a group's or a supplier's central warehouse. The microprocessor which drives the unit is pre-programmed for supermarket recording applications.

Microsystems is marketing units that will work with the portable terminal, to receive or

transmit data, as well as point-of-sale equipment. It can provide extensive programming support.

Because of the way in which the new unit has been designed, the company is offering a three-year warranty, unprecedented for this type of equipment.

Tintometer, Waterloo Road, Salisbury, Wiltshire. (Salisbury 27242.)

INSTRUMENTS Getting the right hue

COLOUR measuring and analysis equipment from Britain, the AF 950 Lovibond Automatic Tintometer, attracted considerable interest at ChemAsia in Singapore this month, where the Tintometer company was taking part in a British Overseas Trade Board sponsored exhibition.

AF 950 is the outcome of development work by Unilever to produce an instrument which would read out the colour of refined edible oils directly in international units—the international scale for edible oil measurement.

The instrument provides more accurate and consistent measurements than visual instruments, and can read out results in five seconds.

Also on display for the first time was the AF 870 colour vision analyser, which reveals the exact extent of any colour deficiency—previously unobtainable in a single instrument. It is used for the accurate screening of subjects involved in looking at colour, for example airline pilots, paint manufacturers and clothing dyers.

Close look at traces

WHERE A characteristic short-lived, repetitive or "single shot" waveform arises from a particular event or source in medicine, mechanical engineering or kinetic chemistry for example, it is becoming increasingly common for it to be recorded in solid state memory for examination at leisure.

Storage is digital, so that the event is easily "replayed" at any desired speed on an oscilloscope screen.

However, the need then often arises to operate mathematically on the waveshape to yield further data: a displacement trace might be integrated twice, for example, to obtain acceleration.

Data Laboratories of 28, Wates Way, Mitcham, Surrey CR4 4ER (01-640 5331) has designed a plug-in module for its DL Micro 4 signal analysis system that makes use of a microprocessor to apply sequences of transforming functions with great ease.

The micro has some 60 firmware programs put into non-volatile memory at the factory covering most arithmetic, trigonometric and statistical functions likely to be needed.

The user can bring up on the screen "menu cards" of the available functions and by using a high-level language can

assemble them into a sequence which can then be put into a "user definable" store, to be recalled at any time by depression of one button only. There are four such stores, matching the four input channels of the basic equipment.

Both the processed waveform and an alpha-numeric display spelling out what has been done are shown on the monitor screen. Selection of the various functions is carried out on an associated keypad on a flying lead.

Analysis gets easier

ALTHOUGH interpretation of complex analysis is a highly skilled matter, the actual use of analytical instruments such as the latest units from Varian Associates is rapidly approaching "child's play," due mainly to the application of data processing.

A single beam (the AA-375) and a double beam (AA-475) absorption instrument both make use of powerful eight-bit computers to control all the signal and results processing.

For example, fast recalibration is possible against a single standard, and a running mean mode displays the progressive mean of a series of results to optimise measurement precision. The new instruments also have automatic scaling for chart recorder markings—and even microprocessor control of the hollow cathode lamp circuits.

In the operation manual, all the instructions are presented in pictorial form with each operation keystroke denoted by its own pictograph and identified in seven languages.

More from Manor Road, Walton on Thames, Surrey (Walton 43741).

Tester has new look

SWEDISH-MADE hardness testers, offered in the UK by Hardness Control Instruments, have now been enhanced with the addition of a digital display. The Duromatic D development will be shown in Britain for the first time at Inspec 79, NEC, Birmingham, April 2-6.

All the features of the automatic sequence Duromatic tester are combined with a clear digital display reading direct to Rockwell scale hardness values, says the company.

Capable of measuring to an accuracy of ± 0.5 Rockwell B and C scales, excellent repeatability is assured by the fully motorised sequence. Pre-load is applied normally,

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the correct level being indicated by a green signal light. Over-application of pre-load causes a red warning light to be displayed and also indicates reversal of the loading mechanism.

Primary load application, dwell and removal is totally automatic, started either by push button or upon illumination of the green pre-load lamp. At the end of the test cycle, hardness value is simply read from the display.

The machine is said to be ideal for single items or large scale batch inspection, and consistency of results is further aided by a work clamping shroud around the machine's penetrator (indenter) which positively locates on any surface preparation movement during the measuring sequence.

More from the company at 39, Wildmoor Lane, Catshill, Bromsgrove, Worcs., B61 0NT (Bromsgrove 75078).

Two wave generators

MADE BY Krohn-Hite in the U.S., two new frequency generators, one an ultra-low distortion unit for audio application and the other a 30 MHz sweep device, have been made available by the UK agents, Keithley Instruments, 1 Boulton Road, Reading, Berks RG2 0NL (0734 851287).

The audio oscillator, model 4024A, exhibits amplitude distortion which does not exceed 0.005 per cent throughout the 0.001 Hz to 100 kHz range. Rotary switches with intermediate verniers make the setting of frequency continuously variable, to an accuracy of 0.5 per cent and with resetting ability of 0.1 per cent.

Sweep generator model 2200 has main frequency and sweep sections. The former provides sine, triangle, square, pulse and sawtooth waveshapes and covers a range of 0.003 Hz to 30 MHz. The other, sweep, unit can increase or decrease the generated frequency at predetermined rates settable from once every 100 seconds to 10,000 times a second. There are independent slide controls calibrated for start and stop frequencies and the exact nature of the "ramp" can be varied in several ways.

ENERGY Chemicals to carry industrial heat

CHEMICAL pipelines that could deliver heat at high efficiency from nuclear, coal, and solar plants directly to homes and industry are the subject of a study by General Electric Company of the USA Research and Development Centre.

Funded in part by a contract from the U.S. Department of Energy, scientists have investigated the potential of the "chemical heat pipe" that could deliver heat energy over long distances at more than twice the efficiency of conventional methods.

The chemical heat pipe is made up of two chemical reactors separated by a pair of pipelines that may be 100 miles or more in length. The input end of the chemical heat pipe is hooked to a heat source, while the output end is located at the point where the heat is needed.

At the input end, a mixture of liquids or gases absorbs heat and, with the help of a chemical catalyst, undergoes a change in the chemical reactor. Essentially, the gases or liquids are converted into a new chemical combination, with the heat energy "locked up" in their molecular structure.

The high-energy mixture is then pumped to the other end of the pipeline, where it undergoes the reverse chemical change in the other chemical reactor, returning the liquids or gases to their original low-energy form and releasing the heat energy they carried. During the conversion process, no pollution is generated.

The original mixture of gases or liquids is then pumped back to the heat source in a return pipe (along the same right-of-way) to begin the process over again.

One advantage of a chemical heat pipe is that it absorbs and releases heat with very little energy loss from one end of the pipeline to the other. For example, about 80 per cent of the thermal energy put into a 100-mile-long pipeline would be released at the far end.

In a chemical heat pipe installation, heat energy could be produced at a centrally located nuclear, coal, or solar plant in a remote area and supplied to industrial plants and cities as much as 200 miles away. The heat could be used directly for industrial processes as well as for the generation of electricity.

In addition, the heat left over from generating electricity could be used to heat homes or provide process heat for industry, thereby saving the oil and gas that are normally used.

Chemical heat pipe systems also might be employed to store the high-energy mixture of chemicals under increased pressure in the pipeline or in separate storage caverns during periods of slack demand.

During peak demand, the chemicals would be released to provide industrial process heat or generate electricity. This approach would assist power utilities in meeting large fluctuations in daily demand.

Petrol made from plastics waste

SCIENTISTS at the Institute of Petrochemical Research, Potchefstroom University in South Africa, say they have an answer to pollution by plastics bags and other plastics wastes—turn them into petrol or diesel fuel.

Work on a laboratory scale had proved that it was possible to turn polypropylene, for instance, into a useful fuel with a

conversion better than 90 per cent, a spokesman recently declared, adding that the plastics bags had been recovered from a waste dump where they otherwise would have probably been around "in a century's time."

No comment could be made as to the economics of the process or the quality of the liquid fuel produced.

PROCESSING Makes board in minutes

INTRODUCED into the UK by Lektrokit is the Cupro printed circuit board production system intended for prototype and short production runs.

Units are available which enable boards to be photo-resist coated, exposed, developed, etched and gold-plated within minutes. In addition, mechanical processes such as gullnotching, pilot hole punching, drilling and notching are achieved using a multi-shear module together with its various attachments.

Only the necessary modules need be purchased, others being added at a later date when needed.

The two most basic units, developer and etcher, cost under £500 each. All the bench-top operations are automatically timed and controlled. The standard system caters for boards up to 12 x 12 ins but

larger units for 24 x 12 can be supplied.

Lektrokit can provide extra stock boards and chemicals; if desired, installation, commissioning and servicing can be provided.

More from the company at Sutton Industrial Park, London Road, Early, Reading RG6 1AZ (0734 669116).

Stops rust with no deposits

NON-POLLUTING inhibitor / ZC963, for the prevention of corrosion, scale and fouling in industrial cooling water systems, is available from the Zimnite (UK), 34 Westminster Palace Gardens, London SW1X 1RL (01-222 6733).

Formulation eliminates environmental problems associated with conventional water-treatment. Effective corrosion control is provided by a blend of biodegradable organic and non-polluting inorganic compounds instead of traditional chromates, phosphates and zinc.

Polyphosphate is also excluded, eliminating the formation of calcium phosphate sludge, regardless of pH level.

The inhibitor forms a protective film on metals, stopping damaging effects of active corrosion cells. It contains a mud remover and scale inhibitor preventing deposits from hard water. It does not require tight pH control and acid feed is generally avoided. Other advantages over conventional water treatment include chlorine and high temperature stability and the elimination of supplementary deposit controls.

VEBA OEL

A new company in German energy



Restructuring at VEBA. The oil and chemical sectors of the VEBA Group have been restructured. The chemical activities are now concentrated with Chemische Werke Hüls (hüls), while the Group's oil activities will be handled by VEBA OEL (formerly VEBA-CHEMIE).

Fully integrated oil company. VEBA OEL is now fully responsible for the entire petroleum sector of the VEBA Group, from the search for crude oil and processing, to the supply to end-users. Exploration and production of crude oil around the globe are the functions of DEMINEX - Deutsche Erdölversorgungsgesellschaft (Group participation: 54%). Our refineries process 16-17 million tons of crude annually. VEBA OEL has a large capacity for conversion and at the same time a highly competitive petrochemical sector. The products of VEBA OEL are sold by the Group's trading company RAAB KARCHER and ARAL, Germany's largest gasoline distribution network (participation: 56%).

VEBA OEL. This new corporation encompasses a group of companies with close to 20,000 employees and a turnover of around DM 13 billion - a group of companies with decades of experience in the field of mineral oil.



VEBA OELAG
Pawikerstrasse 30, D-4660 Gelsenkirchen-Buer

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THE MARKETING SCENE

EDITED BY MICHAEL THOMPSON-NOEL

MEAL millionaires make the ton in 1978

BY DON BECKETT

LAST YEAR saw the number of millionaire brands (i.e. those credited by MEAL (Media Expenditure Analysis Limited) with a total of at least £1m advertising expenditure in press and television) passing the 100 mark for the very first time.

MEAL has just published its report showing the top spending brands of the year: so this gives me my annual opportunity to take a look at the Top Ten—and a little beyond. As always, I must remind readers that MEAL figures relate to card rate (not actual) advertising expenditure, in press and TV media only.

Expenditure in other media (radio, outdoor, cinema) are not included, but their absence does not, I believe, significantly affect the validity of the MEAL figures as useful measures of rankings, trends and relative orders of magnitude.

So what do these 1978 figures, miraculously measured and analysed within just a few weeks of the year's end, show us? As you will see from the table, the picture is very much as before—only more so. Whereas in 1977 (1976 and 1975 too) nine of the Top Ten places were occupied by retailers, in 1978 the shops went one better and swept the board altogether.

Looking at the composition of the Top Ten we see a remarkable stability over the years: only three changes in 1978 (over 1975) two in 1977, and now only one in 1978, with Asda replacing the only non-retailer brand Rothmans King Size. Nor has there been much switching around of placings within the Top Ten, most brands occupying the same slot they held in 1977. Co-op has

THE BIG SPENDERS (Press and Television) Table with columns: Ranking, Meal List, £m, Press %, Excluding Retailers, £m, Press %

pushed its national advertising ahead of its local level for the first time. Tesco is rising fast, not ranked in 1976, in fifth place in 1977, and now in third place in the 1978 table.

As well as showing the total Press and TV expenditure for each brand I have also indicated the proportion allocated to each of these media. As perhaps one would expect for a list consisting entirely of retailers, we see that seven of our advertisers allocated more to Press than to television. Only Williams and Allied Carpets (perhaps because their prices as well as their products are more durable than those of their grocery rivals) selected TV as their major medium.

If we look now at the Top Ten brands excluding retailers, and I think this is a justifiable piece of editing on my part, we see that the table is headed by Esso Corporate, followed closely by the Post Office campaign to increase telephone usage, and the Austin Morris range campaign. This second table reveals far more volatility than the first, with six changes compared with 1977. Out have

gone Embassy King Size (puffed right down to No. 66), BLMC Range, Westabix, National Westminster Bank, Brookes Bond PG Bags, and Hoover Vacuum Cleaners. They have made way for Esso, Austin Morris, British Airways (just down in at No. 5), Midland Bank, Gas Cookers, and Benson and Hedges Special Filters. In this Non-Retailer Top Ten only the Post Office, Rothmans Milk, and Guinness have retained their 1977 places in 1978, and the first of these brands did not enter the charts until 1977. This group's pattern of spending is quite different from the retailers as my table shows, with seven out of the eight brands permitted to use television choosing it as their major medium.

There is no escaping this dominance of retail advertisers, even as we explore the ranking lists beyond the Top Ten, and into the Top Twenty. We have already emphasised that retailers occupy all ten places in the Top Ten, by volume of expenditure. They also fill four of the next 10 places, with Five Star, Comet, C&A, and W. E. Smith, thus taking fourteen

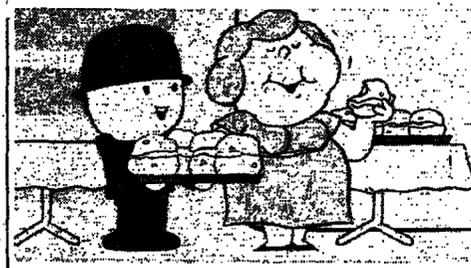
(70 per cent) of the Top Twenty places.

So if you are a manufacturer wishing to bring your latest and greatest product forcefully to the attention of the Great British Public through TV and/or Press media, how much should you allocate for advertising? To get in the Top 200 in 1978 you would have needed to spend £716,000 (like Cadbury's Fudge), in the Top 150 £245,000 (like the Daily Mail), or in the Top 100 £104,000 (like Kellogg's Corn Flakes). Looking at it another way, from the point of view of a given expenditure where would that place you in the rankings? £1m would find you in 187th place, with New Zealand Lamb, £1m at 104 with National Savings Bank, and £11m at No. 46 alongside National Westminster Bank. Spend £2m and you would be fighting for 20th place with Midland Bank and Gas Cookers.

Faced with these likely expenditure figures you would be forgiven by some people, but not perhaps by agencies or media owners (whose income could be at stake), if you decided not to advertise your new brand at all, but instead to manufacture under a DOB label for one of those retailers who in 1978, as in 1977, 1976 and 1975 showed that when it comes to advertising shops stop in all the top spots.

And will Boots again lead the "oo Ten in 1979"? It certainly seems likely unless they have a revolutionary change in their advertising policy. Or unless the Co-op (and therefore MEAL) start putting their National and their Local campaigns together in one agency. That way even Boots' mighty spending would be exceeded by over £2m.

Don Beckett is managing director of The Media Business.



Spillers spending spree

JANUARY was not the most propitious month for the relaunch of major brands. Picket problems persuaded Birds Eye to postpone an important re-juvenation of its key cod fillet line, but it did not deter Spillers from pushing ahead with plans for costly advertising and promotion campaigns for its two vital profit earners, Home-prise flour and Choice Cuts, a premium dog food.

Homeprise has drifted in recent years and its share of the £85m pre-packed flour market has fallen from 30 per cent to nearer 20 per cent. Advertising through the long running flour graders campaign, devised by Geers Gross, fell to £200,000 last year, and flour, a declining market, seemed in danger of becoming a commodity brand. Now the advertising has been topped to £300,000, with £800,000

going behind a new flour graders TV campaign on a "Vote for Fred" theme pictured above. There will also be a coupon scheme, valued at over £1m, and to give the company something to shout about the product has been reformulated to rise better, hopefully in line with sales.

There has also been a reformulation for Choice Cuts, as well as new packaging. John Noakes, the former Blue Peter presenter, who is rarely seen without a dog is selling the product in a £500,000 TV campaign from J. Walter Thompson. With a further £300,000 in consumer and trade support Choice Cuts is getting a larger budget than any other Spillers launch, let alone re-launch, into the £150m canned dog food market. A.T.

Women boost pub sales

Any brewer interested in improving sales in pubs should chase the women. The latest survey by Wymen Harris, which specialises in drink research, indicates that pubs with a higher than average proportion of women customers have higher than average sales. Indeed in the few places where over 40 per cent of the customers are women turnover is 43 per cent above average.

Not only do women encourage more drinking; they also tend to go for the high profit margin

products like lager, wine, spirits and soft drinks. A regional breakdown shows, not surprisingly, that it is in the south east that women are most frequently propping up the bar—on average 24 per cent of the customers there are female and pub traffic is 116, as against the national average of 100. Then comes the north with a 19 per cent penetration and traffic of 108. The Midlands and Wales and the West trail behind.

Women are thickest on the ground on Friday and Saturday nights when they make up 27 per cent of the total and help boost the traffic to 204. Only 14 per cent of the customers at lunch time are women and then the pubs are operating at less than 50 per cent of their average traffic. And Sunday lunch time remains a male preserve. A. T.

THE BEST NEW RELEASES

Instant custard tops them all

BY MICHAEL THOMPSON-NOEL

LET THEM eat custard. In the midst of chaos and strife, the British grocery trade has demonstrated a banking for traditional values by voting Brown and Polson's Instant Mix Custard the best new grocery product of 1978 in the annual poll conducted by Super Marketing magazines.

Top-placed non-food product, and No 2 overall, was British-American Tobacco's State Express 555 King Size, with Cinzano Rosé (No 7 overall) the highest-placed alcoholic drink.

Other favourites that made it into the best-selling Top 10 include Cadbury's Double Decker (4th), General Foods' Birds Apeel powdered soft drink (5th), Life Savers' Bubble Yum (8th) and Kellogg's Cracklin' Bran (10th).

Third place

But confirmation that 1978 was the year for custards comes with the placing of Batchelors' Quick Custard in third place overall. Instant mix custards require only the addition of boiling water. According to CPC (UK), which owns the Brown and Polson brands, research shows that only one in five housewives has so far tried instant custard, although the two new products (their's and Batchelors') have to date added £5m to the custard market, taking it from £12m in 1977 to £17m at present. Both brands claim market leadership. CPC's sales and distribution director, Bill Durran, says sales of instant custard could eventually reach £30m.

Now that it has topped a poll covering 270 new product launches of 1978, Brown and Polson is plugging on with an expanded marketing campaign for its new brand this year, including £1m worth of TV advertising via JWT, new pack graphics, a 3p-off coupon destined for 11m homes next month, and new case displays. CPC says its instant custard is Britain's fastest-growing dessert product. It's said to be equally good hot or cold, costs 16p a pack, makes four generous

servings and goes nicely with tarts. The Super Marketing poll was carried out among a panel representing 84 per cent of the total buying power—multiples, Co-ops and independents—in Britain's £11bn grocery market. Results of the first Top 20 poll, published in 1970, included numerous products that have since made a really big name such as Hironelle wine, Cadbury's Smash, Country Life butter and Blue Band margarine.

BAT's State Express 555 King Size cigarette was launched nationally last May with all the hoopla you can get for £5m. State Express claims it finished the year with a larger-than-expected 7 to 8 per cent in the £1.8bn king size sector, contributing to gains which have pushed sales of king size to 58 per cent of the total cigarette market.

Cadbury's Double Decker, in fourth place, was launched nationally last January and claims sales of £16m. It will get £1m worth of advertising this year via Young and Rubicam. As for Cinzano's Rosé (Martini has its own Rosé brand on the market), Cinzano reckons it should capture up to 15 per cent of the total vermouth market, currently worth £120m, by the end of this year.

Twenty

Full list of winners: 1. Brown and Polson Instant Mix Custard; 2. BAT's State Express 555 King Size; 3. Batchelors' Quick Custard; 4. Cadbury's Double Decker; 5. General Foods' Birds Apeel; 6. Players' No. 6 King Size; 7. Cinzano Rosé; 8. Life Savers' Bubble Yum; 9. Van den Bergh's New Summer County Soft Margarine; 10. Kellogg's Cracklin' Bran; 11. Schweppes' Russchian; 12. GF's Soace Dust; 13. Cadbury's Piglet; 14. Pedicree's Chicken Whiskas; 15. Findus Double Deckers; 16. Wills Regal King Size; 17. Jeyes' Brobat Bleo Flush; 18. Associated Biscuits Jacob's Golden Orient; 19. Martini Rosé; 20. Colman's Gravy Pot.

Saatchi's—soaring fast

J. WALTER THOMPSON has regained its position as the UK's largest advertising agency, according to figures released by MEAL. It is virtually impossible to get exact comparable data of the size of agencies but at least MEAL, working on clients' brand expenditure at rate card costs in television and the main consumer press media, is an impartial guide.

The top ten agencies are listed below, and reveal the outstanding progress made by Saatchi and Saatchi last year, and perhaps more surprisingly, by Wasey Campbell Ewald, which has jumped two places. Between them the top ten controlled an expenditure of £342m, or 35 per cent of the advertising monitored by MEAL. This represents a 2 per cent fall in the share of the big agencies on the previous year.

Jeremy Bullmore, chairman of JWT, is not over-excited by the MEAL report. By the agency's

TOP TEN AGENCIES Table with columns: Ranking, Agency, 1978 £m, 1977 £m, % Change

own reckoning it has always remained the leader and his figures show a growth last year of 15 per cent rather than 10 per cent to £199m. Also, like most agencies these days, he is more concerned with revenue than turnover and with profit at the end of revenue. The new year, which is expected to be

tough for advertising, has started remarkably calmly considering the difficulties of some clients to manufacture and market brands. But given the cost of ceiling media it is likely that the problems sown in January will not be reaped for a few weeks yet.

Advertisement for a travel agency with text: 'Just one of 5 different packages you could choose from at the Rotisserie Normande...'



This year...

Advertisement for EUROFIMA, featuring text: 'New Issue February 1, 1979', 'EUROFIMA', 'Europäische Gesellschaft für die Finanzierung von Eisenbahnmaterial, Basel', 'Société européenne pour le financement de matériel ferroviaire, Bâle', 'Società europea per il finanziamento di materiale ferroviario, Basilea', 'DM 100,000,000', '6 1/2 % Deutsche Mark Bearer Bonds of 1979/1989', 'Offering price: 100%', 'Interest: 6 1/2 % p. a., payable annually on February 1 on February 1 of the years 1985 through 1989 in 5 equal annual instalments by drawings of...', 'Listing: Frankfurt am Main, Dusseldorf, Hamburg and München', 'Deutsche Bank', 'Allgemeine Deutsche Credit-Anstalt', 'Bayerische Landesbank Girozentrale', 'Berliner Handels- und Frankfurter Bank', 'Delbrück & Co.', 'Draschner Bank', 'B. Metzler soel. Sohn & Co.', 'Trinkaus & Burkhardt', 'Westdeutsche Landesbank Girozentrale', 'Amsterdam-Rotterdam Bank N.V.', 'Smith Barney, Harris Upham & Co. Incorporated', 'Bayerische Hypothek...', 'Joh. Barenberg, Gess...', 'Commerzbank', 'Deutsche Verkehrs...', 'Bankhaus Hermann Lampe', 'Schwäbische Bank', 'M. M. Warburg-Brinckm...', 'Württembergische Kommun...', 'Girozentrale', 'Banque Populaire Suisse S.A. Luxembourg', 'Swiss Bank Corporation (Overseas) Limited', 'Credit Suisse First Boston Limited', 'Union Bank of Switzerland (Securities) Limited'

Advertisement for FERRANTI, featuring text: 'Ferranti avionics will be flying high on both sides of the Atlantic.', 'In North America our COM'D cockpit display has been selected for the US Navy's A18 Hornet strike fighter. In Europe we are making an extensive contribution to the production versions of the highly sophisticated multi-role combat aircraft, the Panavia Tornado, in partnership with German and Italian aerospace companies.', 'Ferranti technology plays an integral role in the defence capability of Britain and her allies.', 'Confidence, commitment, steady growth. That's Ferranti today.', 'FERRANTI Selling technology', 'Ferranti Limited, Hollinwood, Lancashire OL9 7JS', 'Data communications for retail management 14-15 March, London', 'A two-day conference which reviews the latest developments in data communications as they affect the retail trade and shows how the technology can most effectively be harnessed in merchandise management, credit control, point-of-sale and electronic funds transfer.', 'Further details from: ISL', 'INFORMATION STUDIES LIMITED, REGAL HOUSE, LOWER ROAD, CHORLEYWOOD, RICKMANSWORTH, HERTS, ENGLAND WD3 5LQ, TELEPHONE CHORLEYWOOD (09278) 4244'

THE JOBS COLUMN

Seven across the world, but eight in UK

BY MICHAEL DIXON

MORE than one recent telephone caller from overseas has given me the impression that he would already be sending me food parcels if he weren't sure they would be obstructed by neck-deep snow and cold-hearted pickets. So it feels good to be able to knock some of the artificial frost off that image of Britain by pointing out that the UK is preferred as the base for eight of today's 15 jobs for managerial workers with international horizons.

Even so, lest readers should accuse me of pressing patriotism too far, we will start with the seven posts located outside the UK.

In most cases the jobs are being dealt with by recruitment consultants for clients who may not be named. But the headhunters have undertaken to honour any applicant's request not to be identified to the employer until specific permission has been given.

The first pair of jobs are being handled by Jo Jacobsthal of European Marketing Systems of 5, Avenue Beaumont CH-1700, Fribourg, Switzerland—telephone 037 24 32 80; Telex 36152. Although the posts are in different countries, both are with an international tobacco group.

One person, probably either French with fluency in English or British with developed un-

derstanding of the culture and language of France, is needed in Paris.

Responsible to the group's marketing director for Europe, the recruit will head its French operation employing towards 90 people, a minority located at five provincial offices. No manufacturing is involved. Nor is any really direct selling of tobacco, which in France is centrally controlled, as are most conventional forms of the allied advertising.

The activities therefore consist of other aspects of marketing such as sales promotion and merchandising, together with financial control. Mr. Jacobsthal sees this job as suited to someone with demonstrable skill in marketing branded mass consumer products allied to experience of commercial management, who is preferably no older than 45. The salary—which like those for the other non-UK posts, will be expressed in U.S. dollars—will be \$50,000-\$60,000.

From scratch

A similar salary is likely, and the same reporting responsibility is certain, for the tobacco group's other job, based in Madrid, Hirtorio the company's sales in Spain have been through importers, but it now feels justified in setting up its own operations there.

The job is to start and develop the new organisation virtually from scratch. "Someone with the pioneer spirit," says Jo Jacobsthal, "probably a humdrum in sales of branded consumer goods, though by now a fair way up the management ladder—say a regional head with a big group." Familiarity with Spanish markets and culture is essential, although candidates must also be conversant with British industry and fluent in English. A third European language would be an advantage.

The rest of today's posts are all being handled by various members of the Grosvenor Stewart consultancy. Inquiries should be made, however, through either John Fulford or Stuart Adamson at Hamilton House, 15, Tilehouse Street, Hitchin, Hertfordshire—telephone Hitchin (0462) 56303; Telex 25102.

Their first offer is with a Scandinavian group wanting a British-trained marketing ace, probably aged 30 to 40, to run its business in the Philippines and from there also to look after operations in Indonesia. Candidates must be able to show extensive, successful experience in the international marketing of ethical pharmaceuticals. Salary about \$25,000 (which should be virtually tax-free) plus housing, company car with driver, and other expatriate benefits.

Another pharmaceutical marketer with UK and, preferably, international experience is wanted in Hong Kong as a market development manager reporting to the South East Asia marketing chief of a big drugs and household medicines group. The newcomer, who will be expected to earn the general management of a subsidiary in two years or so, will probably be 25 to 35. Salary about \$30,000 (maximum personal tax in Hong Kong is effectively 16.5 per cent). Car, plus other expatriate benefits.

Up-to-date

There is a second opening in Hong Kong for a 28- to 35-year-old market-research expert, experienced in fast-moving consumer goods and practised in the development of new products. (Maximum of up-to-date techniques of testing markets before and after advertising is essential. Salary, again embellished by various expatriate perks, will be around \$26,000.

Back with pharmaceuticals to Paris, the base from where a large American group wants a widely capable marketing person to direct its commercial and marketing services in Africa and the Middle East. Experience of similar work in those two parts of the world is needed, and if some of that experience

has been associated with pharmaceuticals, so much the better. This job has much to do with corporate and strategic planning of the group's business, so a higher degree in management would be a useful "extra." Salary will be upwards of \$40,000.

Now to Trinidad where a large UK construction group needs someone aged 35-45 as chief executive for its 180-staff operations in the Caribbean. Current work there includes four major projects. High-level negotiating ability is wanted, plus consummate experience in project management in building and civil engineering. A related degree would be a help. No salary is quoted, but I would estimate \$24,000-\$30,000.

And so to the UK, where the four unidentified jobs with international horizons are as follows:

A chemical company wants a demonstrably capable managing director to be concerned particularly with a range of specialist fine chemicals in developing business in Europe and various English-speaking lands. Salary at least £15,000, plus car.

Similar pay is probable for the new technical director of an agricultural chemicals concern, who will be particularly responsible for its technical and regu-

latory affairs in the Common Market and in other parts of Europe.

Developing business in Germany and France for a consumer products company will be the main task of another preferably British-based job for a European regional manager. As well as appropriate experience with the same kind of industry, candidates will need to be fluent in French. Salary about £10,000, plus car.

Fourthly, a sales and marketing manager is wanted to direct the growth of the European operations now being set up by an American safety-equipment concern. Experience in identifying, motivating and supervising distributors is required, ideally in the same field. Salary, again plus car, is about £12,000.

Finally to the four identified, UK-based jobs which—as might have been guessed—are all in the international head-hunting business of Grosvenor Stewart itself. Two are for experienced senior consultants who are expected to earn £12,000-£14,000. Two are for junior consultants, probably in the £8,000-£10,000 bracket, who might be people from other specialisms wanting to add recruiting skills as an extra string to their bow. All would probably work from either Hertfordshire or Surrey.

FINANCIAL CONTROLLER

City c. £10,000

Our client consists of a group of underwriting agencies and itself forms part of the Stewart Wightson Group. Continuing growth in both size and complexity of business hinders necessitates strengthening the finance capability of the agencies by recruiting a qualified accountant as financial controller.

The controller will be responsible to the chairman and will be an active member of a small management team. The range of responsibilities will include supervision of the accounts department, the preparation of appropriate reports to management and to statutory authorities, the control and investment of funds, and the development of systems which are computer based.

This is a challenging opportunity in a growth situation, requiring someone of maturity and personality; experience in insurance is highly desirable. The salary is negotiable around £10,000 per annum, plus a generous non-contributory pension scheme.

Applicants, male or female, should write in complete confidence, giving full details of previous experience and current salary to J. W. Hills, Ainslie Incey Morrish, Management Consultants, 40/43 Chancery Lane, London WC2, quoting reference P1478.

A.I.M.

City

CSL

£15,000 plus?

FINANCIALS ANALYST

Partnership Prospects

A leading firm of stockbrokers seeks an analyst for its banking and insurance sector.

The post should be particularly attractive to highly motivated, experienced analysts who see limited scope for financial growth and/or promotion in their present positions.

Remuneration will not be a limiting factor.

Please send brief details of career to date—in strict confidence—to John Robins, Executive Selection Division, ref. C365 at the address below.

COOPERS & LYBRAND ASSOCIATES LTD.

Management Consultants
Shelley House, Noble Street, London, EC2V 7DQ.

Charles Barker
Confidential Reply Service

Please send full career details and list separately companies to which we should not forward your reply. Write the reference number on the envelope and post to our London office, 30 Farringdon Street, London EC4A 4EA.

Deputy Group Secretary

NW London c. £8,500+car

Our client, a leading public quoted company within the leisure and service industries, wishes to appoint a Deputy Group Secretary.

Applicants should preferably be Chartered Secretaries (or equivalent) in their 30's with broad based company secretarial experience in a large group of companies. Experience of Stock Exchange regulations, acquisitions, office services, pensions and personnel management would be an advantage.

Initial salary is negotiable c. £8,500 plus car and comprehensive benefit package, and there are excellent career development prospects within this fast expanding organisation.

Reference 1506

Personnel Manager
to £13,000+car+productivity bonus

Hambro Life is one of Britain's most progressive and successful companies. In just eight years we have become the country's largest unit-linked insurance company, managing funds of over £800 million on behalf of 400,000 policyholders. We need a top-class Personnel Manager who will ensure that Hambro Life continues to succeed by capitalising on its most important asset—people. Our "people policy" really has succeeded and outsiders never fail to be impressed by the high motivation, morale and pride amongst our staff. In addition to personally guiding our personnel policy development, the new Manager will head up a team of personnel professionals who provide a comprehensive service to our 1000-strong Administration on Recruitment, Training, Salary Administration and Job Evaluation. The position is based at our Head Office in Swindon.

The successful candidate will function in three capacities—as a strong manager, influential advisor and a creative strategist. Although the job will inevitably be coloured by our existing philosophies, this will not inhibit the

freedom to innovate. The Personnel Manager will not be held back by convention, formality or by traditional barriers and will function with a high level of autonomy.

We are looking for a man or woman, aged 30-37, with at least seven years' experience in a wide range of personnel disciplines culminating in a role of real responsibility. Experience in the financial commercial sectors would be advantageous but is not essential.

The salary for this post—which reports to a Board Director—will be up to £13,000 per annum plus an executive car, productivity bonus, share options, free pension, life assurance and BUPA. There is also a generous relocation allowance to Wiltshire.

Our standards are high and we are looking for top performance and first class results. In return, we offer a stimulating, demanding and exciting job in a refreshing, dynamic and successful company which aims to keep on growing. Please write to or phone Liz Gibney on Swindon 27614 for more information and an application form.

HAMBRO LIFE ASSURANCE

Hambro Life House, Station Road, Swindon, Wiltshire.

LEISURE INDUSTRY
Principals setting up from scratch. Caravan manufacturing company in Europe require two personnel. Corporate directors of (a) Production; (b) Finance; (c) Procurement; (d) Marketing with minimum three years' experience in caravan manufacturing sought to take up posts later this year. Equity available. Reply in strictest confidence to: Box A, 6625, Financial Times, 10, Cannon Street, EC4A 4BF.

FINANCIAL ACCOUNTANT

London c. £6400

British Gas wishes to appoint, at their Holborn Headquarters, a Financial Accountant to be responsible for the preparation of accounting statements to be used by Management throughout the Industry.

Certain aspects of this work are already computerised and the successful applicant will be involved in extending such methods to other management accounting statements as well as maintaining current systems. Computer experience in such activities will be an advantage.

Applicants should preferably be at least part-qualified Accountants and have obtained at least 3 years' relevant experience in management and financial accounting, preferably within large undertakings.

A starting salary of about £6400, within a range of £6210-£7270 pa is envisaged plus current self-financing productivity payment.

Please write giving full details of age, experience, qualifications and current salary, quoting reference F/015801/FT, to the Senior Personnel Officer (London), British Gas, 59 Bryanston Street, London W1A 2AZ. Closing date for applications 16 February 1979.

BRITISH GAS

Business Development

c. £14,000

This is an unusual opportunity to work alongside small businesses, very often taking the role of non-executive Director and helping them to develop and to achieve corporate objectives. You would join a small team of highly motivated executives who manage this major British industrial holding company which has significant manufacturing interests. Principal responsibilities include active involvement in both current performance and future developments of a number of companies, together with appraisal of potential investments in additional manufacturing concerns. Candidates must have general management experience in a sophisticated manufacturing environment. This should have included

investigative and analytical work aimed at improving profit performance. Candidates must have a degree or equivalent, plus post-graduate management education and ideally be in their 30s. The employment package includes a car and relocation assistance to London.

PA Personnel Services Ref: GM56/6744/FT
Initial interviews are conducted by PA Consultants. No details are divulged to clients without prior permission. Please send brief career details or write for an application form, quoting the reference number on both your letter and envelope, and advise us if you have recently made any other applications to PA Personnel Services.

PA Personnel Services

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874

PA

A member of PA International

Taxation Specialist
Merchant Banking

J. Henry Schroder Wagg & Co. Limited

requires an additional member for its small but active taxation department.

The successful applicant will be part of a team which advises on the varied tax problems arising from the full range of merchant banking activities. Duties will also include the computation of tax provisions and the agreement of tax liabilities with the Inland Revenue for a number of financial concerns within the Schroder Group of companies.

The principal qualification required is sound knowledge and practical experience in the field of corporate taxation. Conditions and terms of employment are excellent. Applications, in strictest confidence, giving details of career and present employment should be made in writing to:

The Assistant Director Administration,
J. HENRY SCHRODER WAGG & CO. LIMITED,
120 Cheapside, London EC2V 6DS.

SCHRODERS

Group Secretary

London

Lindus Limited is an industrial holding group with sales of about £90 million and over 7,000 employees. More than twenty subsidiary companies in the UK and overseas manufacture and sell a wide range of engineering, textile and polymer products.

The Group Secretary, who is also a member of the parent Board, is progressively assuming other responsibilities. There is therefore a vacancy for someone to succeed him as Group Secretary and also to be responsible to him for the administration of the Group's insurance and property affairs and for matters connected with the subsidiary companies. Duties may also include drafting contracts, agreements, licences, conditions of

sale and purchase etc. liaison with the Group's solicitors and other advisers and giving guidance throughout the Group on UK, EEC, and international legislation.

Applicants are invited from candidates, probably in their 30s, who already have several years' relevant commercial and administrative experience. Preference is likely to be given to those who are qualified solicitors or chartered secretaries. An attractive salary will be offered and other benefits include a company car.

Applications with a cv and details of current remuneration should be addressed to: Mr. R. J. Lupini, Personnel Director, Lindus Limited, Trevor House, 100 Brompton Road, London SW5 1EL.

OUTSTANDING OVERSEAS OPPORTUNITIES - INSURANCE COMPANY UNDERWRITING AND FINANCIAL MANAGEMENT

Salary up to £20,000+substantial benefits

Our client is one of the most progressive and successful insurance companies in the Far East. Three senior appointments will be made at the Head Office in Hong Kong, following continuing organic growth.

FINANCIAL MANAGER - c.£15,000

To advise the company's general management on financial planning and related matters. You will have formal accountancy qualifications preferably with some secretarial or investment involvement. You will certainly have commercial experience, not necessarily in insurance, in addition to a professional credit background. Age bracket 30-45.

MARINE UNDERWRITER - to £20,000

To deputise for the present underwriter and share the task of developing further the company's overall Marine and Aviation portfolio. The balance of your

experience will be Hull, with knowledge of Cargo and Aviation. You may now be working for a company or broker. Age bracket 30-45.

OIL AND GAS UNDERWRITER - c.£15,000

To support the present underwriter, supervising existing Petrochemical accounts and negotiating new accounts, mainly off-shore. You will be of A.C.I. standard with a strong technical and working bias. You could come from a company or a Lloyd's broker and you will have a good knowledge of the London Marine Market. Age bracket 28-40.

All these positions provide an excellent opportunity for your career to progress with one of the leading established companies in a professional and competitive market. Your personal advancement is assured by the company's continuing expansion. You can enjoy a high

standard of living in a free market economy with a low rate of tax and still keep in touch with other world markets.

Your name will not be released until we have briefed you and you have given your consent. Please write or telephone:

John Lee
BDC (International) Ltd
26 Dorset Street
London W1M 3FU
01-487 2621

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licensed in the UK



PARTNER IN CHARGE INSTITUTIONAL SALES

35-45

As a result of a pending retirement, a major firm of Stockbrokers will shortly appoint a Senior Investment Executive to head up their Institutional Team and their Research Department. His/Her responsibilities will include:-

- ★ Ensuring that the high level of investment service is maintained to a number of leading institutions.
- ★ Co-ordinating the work of the research and institutional sales departments - contributing to the formation of the firm's economic and investment policies.
- ★ As a senior member of the management team, he/she will share in the oversight of the firm's total business.

The ideal candidate, probably a graduate or a chartered accountant, may now be working either as a partner or as second-in-charge of a similar department in another STOCKBROKING FIRM. HE/SHE MAY ALSO HAVE GAINED HIS/HER EXPERIENCE WITH ANOTHER FINANCIAL INSTITUTION E.G. A FUND MANAGEMENT GROUP OR A NORTH AMERICAN BROKING HOUSE. The position demands exceptional qualities of leadership, intelligence and integrity, and offers a first-class career opportunity with a leading name in the investment world. SALARY IS OPEN TO NEGOTIATION BUT IS UNLIKELY TO BE A PROBLEM TO THE RIGHT CANDIDATE.

Please apply:-
Jock Courts
Chichester House
Chichester Rents
London WC2A 1EG
01-242 5775



General Management

c.£10,000 p.a.
plus car

A large international group involved in successful major Marine and Offshore engineering projects requires a Manager whose main key areas of responsibility will cover:-

- Contribution to the preparation of realistic marketing plans.
- Control of project management.
- Generation of enquiries and conversion into orders.
- Contract management.
- Cost control.
- The successful candidate will be an experienced professional manager, who is commercially orientated with a sound record of achievement probably in the

field of engineering contracting.

- A professional and/or graduate engineer of 35-45 years of age is preferred.

There are excellent prospects within this group and candidates should have the capacity to develop rapidly. Car, pension scheme and other fringe benefits provided.

Please reply to us, stating age, current salary and how you meet our Client's requirements, quoting reference GM/3976/FT on both envelope and letter. Men and women are invited to apply. No information will be disclosed to our Client without permission.

Urwick, Orr & Partners Limited

Baylis House
Stoke Poges Lane
Slough SL1 3PF

Work Research Unit DIRECTOR

(£10,500 - £11,765)

The Work Research Unit, set up in the Department of Employment at the end of 1974, provides information, advice and training services to managements and trade unions on new forms of work organisation. Other functions of the Unit include sponsoring and co-ordinating research and working jointly with other institutions to improve the quality of working life. For the next period of the Unit's activities the Secretary of State for Employment has decided that a Director with recent and relevant industrial experience is required.

The Director will be personally responsible for the management and professional control of the Unit's staff and activities, and on taking up post will formulate policies and a programme for the Unit in agreement with the Tripartite Steering Group on Job Satisfaction with the aim of maximising its general effectiveness and impact. Candidates (men or women) must have recent industrial experience, either with management or a trade union, in the fields of job satisfaction and the quality of working life generally, leadership and representational qualities, and ability to manage a multi-disciplinary team, essential.

This London appointment is for a period of 2-3 years. It would be suitable for filling by secondment in agreement with the successful candidate's present employer. Starting salary will be within the quoted range.

For full details and an application form (to be returned by 8 February 1979) write to Miss W. M. Browne, Ext. A5, Department of Employment, 12 St. James's Square, London SW1Y 4LL, or telephone 01-214 6290.

DE Department of Employment

Marketing Director

Consumer Durables

£15,000

A well known and successful public company has a high reputation for the quality of its consumer durable products. It has recently formed a new company to introduce a completely new range of products which will combine wide appeal with excellent value. A Marketing Director is required for this new venture. Initially he or she will be responsible for formulating sales and marketing policies and building an effective organisation in order to implement these. This challenging appointment calls for proven experience of selling consumer durables, at top level, to departmental stores, multiples and discount houses. Thorough familiarity with sales

promotion, market research and national advertising is also required. The preferred age group range is 35-45. Salary will be negotiated up to £15,000 and other benefits, including company car, are excellent. Location: near London. Reply to PA Personnel Services. Ref: SM36745

Initial interviews are conducted by PA Consultants. No details are divulged to clients without prior permission. Please send brief career details or write for an application form, quoting the reference number on both your letter and envelope, and advise us if you have recently made any other applications to PA Personnel Services.

PA Personnel Services

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874



A member of PA International

Chief Accountant

c. £9,000 + car

Based West of London

We are a rapidly expanding U.K. subsidiary of a major U.S. corporation manufacturing and marketing a wide range of pharmaceutical and toiletry products. Annual turnover is around £30 million, including substantial exports. The Chief Accountant is responsible to the Financial Controller for all financial and cost accounting services, preparation of reports to tight deadlines, cash management and credit control and has a supporting staff of 40 people. This is a key position in a challenging environment and the successful candidate, probably aged 28-35, will have previously gained all-round financial experience in a medium large-sized organisation and now wishes to consolidate this experience at a more senior level.

A competitive starting salary will be negotiated, at around £9,000 p.a. although this could be higher for an outstanding candidate. The benefits package includes the full use of a company car (Granada) plus the other usual fringe benefits associated with a multi-national company. Ref: A8714/FT

REPLIES will be forwarded direct, unopened and in confidence to the client unless addressed to the Security Manager listing companies to which they may not be sent. They should include comprehensive career details, not refer to previous correspondence with PA and quote the reference on the envelope.

PA Advertising

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874



A member of PA International

OPPORTUNITY FOR ABLE PROFESSIONALS

A major Financial Planning Organisation has two vacancies and wishes to interview young Stockbrokers and other professionals who currently feel that they are restricted and not in the right environment for their talents. Preference given to those with experience in the investment field. Salary plus bonuses negotiable. Write to Mrs. Joyce Ward, Investors Planning Associates Limited, 62, The Parade, Watford, WD1 2LN, Herts.

Financial Journalist
required as

NEWS/STAFF WRITER

ACCOUNTANCY, the journal of the Institute of Chartered Accountants in England and Wales, wishes to engage a Senior News/Staff Writer.

This is an unusual opportunity for a highly competent financial journalist working with a leading newspaper or journal who would like to specialise in writing on accountancy and financial subjects for a professional journal.

Applicants need not be qualified accountants, but must be able to communicate at all levels, dig out the facts and put together readable, factually accurate stories.

The successful candidate will be paid a very attractive salary.

Please send brief details of your experience and career to date, in strict confidence, to: K. A. Cull, Personnel Manager, The Institute of Chartered Accountants in England and Wales, P.O. Box 433, Chartered Accountants' Hall, Moorgate Place, London EC2P 2BJ.

Accountancy

INTERNAL AUDIT OFFICER OPPORTUNITIES

£5,325 to £7,050 p.a.
+ Staff Mortgage

The Alliance is one of the largest national Building Societies employing 1,600 staff at its Head Office and 140 Branches throughout Great Britain.

An opportunity has arisen within the Internal Audit Department for two Internal Audit Officers who will be responsible for the design and supervision of audits covering all aspects of the Society's financial operations. Applicants, male or female, should be young, newly qualified accountants who can demonstrate effective communication skills. Experience of modern auditing techniques and a working knowledge of advanced computerised systems would be useful. Some travelling may be entailed on special projects.

The salary range appropriate to these positions is £5,325 to £7,050 per annum, and the starting salary will depend on previous experience. The salary can be significantly supplemented by generous assistance with house purchase, an excellent Pension Scheme, subsidised medical insurance and first class sports and social facilities.

If you are interested, please write giving details of your age, experience and qualifications to:-

M. A. Nicholson,
Staff Administration
Manager, Alliance House,
Hove Park, Hove,
East Sussex BN3 7AZ



Premium Administration

a promising management role up to £6,500

If you can combine a sound knowledge of computer-based accounting techniques with successful man-management experience, you'll be a prime candidate for this important new position which is seen as the ideal proving ground for short-term advancement within our rapidly expanding Premium Administration Department.

From the start, you'll be given full responsibility for all aspects of the banking and renewals functions, and will be involved in a number of special projects such as the implementation of new monetary control systems. As such, you'll be making a vital contribution to the development of one of the most progressive organisations in the financial sector, which within 7 years has grown to become the UK's largest unit-linked insurance company with assets totalling some £600 million.

To interest us, you'll need 'A' level education plus effective communications skills: formal qualifications in accounting or banking will constitute a major advantage. Convince us that you can do a great job for us, and you'll be able to negotiate a salary of up to £6,500 - which is backed by wide-ranging benefits including free pension, life assurance and BUPA schemes. Generous assistance with relocation to the Wilshire area will also be provided. For more information, ring Liz Gibney on Swindon (0793) 27812 (answering service operates outside office hours). Or write to her at Hambro Life Assurance Limited, Hambro Life House, Station Road, Swindon, Wilshire SN1 1EL.



HAMBRO

LIFE ASSURANCE

CANADA FINANCIAL PROFESSIONALS

C. \$30,000 + Benefits

Our client, a fast growing Canadian multi-national leader in a high technology industry, has a turnover in the area of \$1,500m. The company has an unprecedented growth record and expects to at least double sales in the next 4-5 years.

The company is now seeking young experienced and ambitious Financial/Control Professionals to strengthen its finance team. Initial assignments are likely at corporate or subsidiary headquarters and will include significant involvement in long range planning, forecasting, business analysis and a variety of special projects.

Candidates probably aged 27-34, will be qualified accountants and/or have acquired a financially orientated M.B.A. Demonstrating a record of proven technical competence, they should have gained experience in a sophisticated industrial environment and adhere to the concept of strong control and reporting disciplines. A flexible committed attitude is essential and candidates must have the presence and ambition to advance to senior management.

For more detailed information and a personal history form write or telephone Nigel V. Smith, A.C.A., or Peter Dawson quoting reference 2352.

Commercial/Industrial Division
Douglas Humber Associates Ltd.
Accountancy & Management Recruitment Consultants,
410, Strand, London WC2R 0NS. Tel: 01-836 9500
121, St. Vincent Street, Glasgow G2 3RF. Tel: 041 228 3101
3, Colton Place, Edinburgh EH3 7AA. Tel: 031 225 7744



Jonathan Wren - Banking Appointments

The personnel consultancy dealing exclusively with the banking profession

BOND DEALER - DENMARK

Privatbanken - one of the biggest banks in Denmark - seeks a Bond dealer to join a team of about 10 people engaged in international securities trading, analysis, and customer counselling.

The successful applicant will work in the Head Office in Copenhagen. Candidates should have:-

Good experience in international bond dealing (3-5 years), including functioning as a market maker, and knowledge of settlement procedures;

Knowledge of primary market activities - issuing and placing procedures as well as investment activities;

Knowledge of and experience in funding activities;

General knowledge and experience in dealing in important stock markets, e.g. in the U.S.A., U.K., West Germany and Japan;

Some experience in dealing in special securities (Certificates of Deposit etc.);

Additionally, some background in economic theory would be desirable. Candidates who have participated successfully in AIBD's seminar will receive preferential consideration.

Age: 22-30 years.

Languages: English, and preferably a Scandinavian language.

Salary: According to qualifications.

If you are interested, please contact DAVID GROVE.

First floor
170 Bishopsgate London EC2M 4LX 01-6231266/7/8/9

Banking

Chartered Accountant(s) £9-£12,000
Two of the City's leading international banking institutions currently seek C.A.s in their late 20's, preferably with some banking experience, to fulfil key positions within their expanding internal accounting areas. Ref: AJT

\$ C.D. Dealer £12,000 +
A young dealer, ideally 25-29 and with a minimum of 3 years' active trading experience in certificates of deposit, is offered a developing career opening with this well-established international bank. Ref: NCP

F/X Dealer c. £9,500
A prominent and substantial international merchant bank requires a positive young dealer with a broad exposure to active dealing in both exchange and currency deposits. Ref: NCP

Snr. Credit Analyst c. £10,000
A leading merchant bank seeks a senior analyst, almost certainly U.S. bank trained, who has the capacity to train and motivate a young team of professional analysts. Ref: AJT

Credit Officer to £8,500
An experienced credit analyst, mid/late 20's, is required by a distinguished consortium bank to lend support to its expanding and specialist credit department. Ref: TOK

For further details in confidence
telephone 01-248 3812

NPA Recruitment Services Ltd
60 Cheapside, London EC2. Telephone 01-248 3812

COMMODITY TRADER

Metalgesellschaft, who are Ring-dealing members of the London Metal Exchange, are now seeking an experienced trader to head their Rubber Department, which is an offshoot of the long established Frankfurt based Kautschuk Gesellschaft m.b.h. Applicants in the age range 30-40 should have substantial experience in both physical and futures trading in rubber and/or other soft commodities.

Applications in writing only, providing full curriculum vitae, to:-

The Managing Director,
Metalgesellschaft Limited,
19-21 Great Tower Street,
LONDON EC3R 5AQ.

BRITISH BROADCASTING CORPORATION

CONTROLLER SCOTLAND

The Board of Governors of the BBC in consultation with the Broadcasting Council for Scotland will shortly be considering this important appointment.

It is expected that candidates should be able to offer a demonstrable commitment to the development and administration of public service broadcasting in Scotland and a sensitive awareness of the broad policy factors involved, together with a high level of managerial and editorial experience.

Anyone who wishes to be considered should in the first instance write within a week to the Director-General of the BBC, Broadcasting House, London W1A 1AA.

BBC

Young Accountants Develop into Top Financial Managers with Procter & Gamble

For many years now we have been recruiting young accountants, often newly qualified, and helping them develop into top-flight financial managers holding senior positions in Procter & Gamble in this country and around the world.

How?
By selecting able young people, giving them fast and practical training supervised by experienced professionals and making sure that they have all the opportunity they need to take on the biggest jobs they can handle.

What does this mean to you?
Our financial managers play a key role in the company's future as an integral part of the management team which keeps the business running successfully and shapes future policy and action. Since we promote only from within the organisation and strictly on merit, you can progress as far as your abilities and efforts will take you. And while you're building for tomorrow, you can enjoy today. The work is challenging and satisfying and involves close contact with other key functions such as Marketing, Research and Development, Manufacturing, Buying and Distribution. The material rewards, too, are very competitive.

Interested?
If you are a young qualified accountant (age up to 25) with ambitions for a progressive career in financial management and the energy and ability to achieve it, write to:

Director, Finance Division,
Procter & Gamble Limited, P.O. Box 1EE, Gosforth,
Newcastle upon Tyne, NE99 1EE.

PROCTER & GAMBLE LIMITED

Tide, Daz, Ariel, Bold, Fairy Snow, Dettol, Fairy Liquid, Fairy Household Soap, Flash, Lenor, Camay, Fairy Toilet Soap, Head & Shoulders, Crest, Industrial Food Products, Industrial Cleaning Products, Industrial Chemicals.

CHIEF EXECUTIVE

To £15,000 Car
MIDLANDS

You will have responsibility for the overall performance of a well established, profitable packaging company, part of an international group.

Aged at least 35, you will be an experienced senior executive with in-depth knowledge of the plastics business.

For an initial exchange of information contact Keith Diver on 01-248 6321.

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Graduate Corporate Lending Officer to £10,000
Head of Clean Collections to £6,500
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Junior Credit Analyst £5,500
Loans Administration to £5,000

We should also like to hear from Accountants, FX Administration, Documentary Credits and Young Clearing Bankers who are desirous of progressing their careers.

Please Contact:
Mike Pops or Sheila Anketell-Jones
20 Queen Street, EC4
Telephone 01-236 0731

METAL ANALYST

TO £12,500

Research Department of American Commodity Brokers has moved to London and seeks an economist who is completely familiar with the metal market and accustomed to long and short term research and forecasting. For more detailed information, contact in confidence Gino Riccio on 01-236 8095.

01-828 8055/7361

Churchill Personnel Consultants
Alford House, 15 Wilton Road,
London SW1V 1LT.

PROJECT ANALYST

c. £7,000

International Decision Making

This quoted British group with wide UK and overseas interests has achieved conspicuous profit growth both internally and by acquisition. The corporate headquarters, located in the Southern Home Counties, includes a high calibre financial staff intimately involved in the control and creative decision-making of the group.

The Head of Corporate Planning has a small team of analysts identifying and appraising business situations and working on a wide variety of projects. As a result of internal promotions and increasing demand for their services, an additional man or woman is needed.

The duties primarily involve the investigation and evaluation of business opportunities and markets at home and abroad, and in addition there will be involvement in forecasting, fund-raising, acquisitions and other financial functions. When decisions have been taken, there may well be occasions for assisting in their implementation, and it is from this that there could be substantial opportunities in either the financial or commercial areas of the group.

Candidates in their mid 20's should have a very good degree and must be numerate. Intellectual integrity and the ability to formulate, present and sustain an opinion verbally and in writing are essential. Some relevant business experience of economics, finance or accountancy in a disciplined commercial or industrial environment is necessary.

The salary is negotiable, and there is a sensible relocation package in addition to normal group benefits.

Candidates should send a detailed career history to the consultant advising on this position, quoting reference G14/FT.

JWT Recruitment Ltd
Executive Recruitment & Selection
40 Berkeley Square London W1X 6AD 01-629 9491

CHIEF ACCOUNTANT

London c. £13,000 + car

Our client is a substantial autonomous subsidiary of a multi-national company with a head office located in Central London. Resulting from an impending international promotion, the need is created for a Chief Accountant, who will report to, and deputise for, the Director of Finance, and will functionally administer and control the accounting and financial services, supported by specialist qualified management.

Specific responsibilities include the preparation, analysis and control of financial accounts, accounting information for the parent company, liaison with external auditors and co-ordinating preparation of statutory accounts; participation in forward planning of Treasury activities and Taxation administration; assisting Corporate Planning function with budget plans and forecasts. The successful candidate, probably aged 32-42, essentially will be able to provide objective financial acumen, co-operate with and obtain co-operation from all levels of management.

A salary of around £13,000 is envisaged, plus executive car and the normal fringe benefits of a large progressive company, including relocation expenses if appropriate.

Ring or write briefly, in confidence, to

ERIC JAMESON
PERSONNEL SELECTION
46 Drury Lane, S.W.1. Tel: 01-248 3812. Telex: 248381

This appointment is open to male and female applicants.

TRAINEE FUND MANAGER

John Govett & Co. Ltd.

John Govett are managers of investment trusts, unit trusts and pension funds totalling in excess of £350m. The successful applicant is likely to be between 23 and 26 years old, to possess a good degree or professional qualification, and to have had some City experience.

If you are ambitious and interested in making a career in investment management, write to:

Mark Cornwall Jones, John Govett & Co. Ltd.,
Winchester House, 77 London Wall, London EC2N 1DH

Chief Insurance Manager

c. £12,000 plus car

To manage all insurance activities, apart from pensions, for a major manufacturing company with a substantial export turnover.

As an indication of the size of the job annual premiums are close to £10 million. Qualified, ideally F.C.I.I.; you will need to have had at least 10 years appropriate experience, gained preferably in a management capacity in the insurance department of a large industrial concern, otherwise with a major brokerage house or an insurance company with a preponderance of industrial clients. Age range 40-45.

Excellent big-company conditions including, if necessary, relocation allowances to a pleasant Southern location.

Applicants, male or female, please send full career and personal details, quoting reference 1362KS/FT to:

Robert Lee
International
24 BERKELEY SQUARE, LONDON W1X 6AR.

NEW BUSINESS EXECUTIVE

Bournemouth/Southampton

We are looking for an experienced executive aged 28/40 to join an enthusiastic team, active in the larger unit commercial and industrial hire purchase, leasing and first mortgage or professional fields, well able to enlarge the area of operations through existing contacts.

The successful applicant will preferably be already based in the Bournemouth/Southampton area, or prepared to move there on appointment.

Salary commensurate with ability and experience. Company car provided and other benefits include Non-contributory Pension and Life Cover; BUPA; Permanent Health Insurance Scheme; House Mortgage facility at preferential rate and four weeks' annual holiday.

Please apply in writing to:
Box 1154, Walter Judd Limited,
(Incorporated Practitioners in Advertising),
1a, Bow Lane, London EC4M 9EY.

TAXATION MANAGER

Central London c. £13,000 + Car

Our client, a major U.K. industrial group, has over recent years substantially developed its overseas activities which, today, account for well over 50% of group turnover.

Over the last two years the group has established a centralised tax function which makes a valuable contribution to profits through sound planning and advice to operating management. The successful candidate will report to the Head of Group Taxation and will assume responsibility for the tax affairs of a major sub-group which has substantial international business activities.

Candidates probably in their late 20's or early 30's should have relevant experience gained either in industry, practice or the Revenue. They should demonstrate the presence and maturity necessary to communicate with senior management and be able to bring a creative approach to this challenging appointment.

For more detailed information and a personal history form, contact Nigel V. Smith, A.C.A., or Peter Dawson quoting reference: 2382.

Comments/Industrial Division
Douglas Lambias Associates Ltd.
Accountancy & Management Recruitment Consultants,
410, Strand, London, WC2R 0BB. Tel: 01-638 6201
121, St. Vincent Street, Glasgow G2 2BQ. Tel: 041-226 3101
A. Costa Place, Edinburgh EH3 7JA. Tel: 01-226 7744

DIA

Treasurer

We are the Eastern Hemisphere Headquarters of a rapidly expanding U.S. Corporation, providing services and products for the Oil industry.

The Position: To develop and expand the Corporate Treasury function with emphasis on total cash management including cash flow projections, currency exposure analysis and short-term money-market dealings.

The Applicant: preferably a qualified Accountant (A.C.A.; A.C.C.A.) with prior experience in a treasury position and used to operating in a multi-currency environment. The successful candidate would show potential for a future financial line management position.

The Rewards: Competitive salary and conditions are negotiable. Candidates should send a detailed career history to Miss A. Wright, Personnel Assistant, Geosource U.K. Ltd., 3-5 The Grove, Slough, SL1 1QG.

هذه من الصحف

An important autonomous subsidiary of substantial British owned company wishes to appoint a:-

Managing Director

Retail

This is a challenging appointment requiring PROVEN company management experience as well as a comprehensive knowledge of retail. Although the product range is entirely non-food, recent involvement in the development of mass merchandise operations such as Superstores, Large Scale Supermarkets or Hypermarkets would be an advantage. The company plans to quadruple, as well as to upgrade the number of its outlets during 1979.

The career prospects are excellent, both within the job itself, and at a later date within the group as a whole. The remuneration package is generous; it is negotiable to attract the most experienced and ambitious executive.

West London Age 30-40 Salary circa £16,000

Applications should be forwarded as soon as possible quoting WFF

Robin R Whalley

INTERNATIONAL APPOINTMENTS (LONDON) LTD

(Executive Recruitment Consultants)

66/68 Haymarket, London SW1

Telephone: 01-839 1602/4

Cables: Interapp, London

Marketing Manager - Hong Kong

Over £20,000 per year + allowances

OUR CLIENT, The Hong Kong and Shanghai Banking Corporation, requires a highly experienced senior executive to co-ordinate the Group's short, medium and long-term marketing activities.

THE MARKETING MANAGER will undertake an extensive range of international marketing responsibilities, including the evaluation of present policies, the identification of under-developed market segments, the development of overall strategy and the implementation of approved corporate marketing plans.

CANDIDATES should have extensive line management experience in marketing, preferably in the commercial sector. The

successful candidate will be fully conversant with the implementation of marketing policies in a major international organisation and he will be required to liaise at the highest executive levels within the Group.

Personal qualities of poise, tact, maturity and determination will be called for, together with highly developed communications skills. The preferred age range is 38-45. CONDITIONS of service are excellent. In addition to the basic salary quoted above, generous provisions will be made for housing, education and home leave.

PLEASE WRITE in complete confidence, enclosing comprehensive curriculum vitae and quoting Ref. No. HK1082/FT, to:

PA Management Consultants Ltd

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874



A member of PA International

Meat and Livestock Commission Director-General

The Commission was established under the Agriculture Act 1967 to promote productivity and product quality in the livestock and livestock products industries in Great Britain, from farm to consumer. Its main offices are at Bletchley and there are eight other offices (one in London) throughout England, Scotland and Wales. It has an income of approximately £6m per annum from a levy on the industry, and in addition receives a slightly smaller sum from the Agriculture Departments and the Intervention Board for Agricultural Produce for carrying out fatstock certification, price reporting, and EEC intervention duties on their behalf. The total staff number about 1,300, over half of whom are engaged on agency work for the Agriculture Departments.

The present Director-General is retiring in September, 1979, and applications are invited for his replacement as the chief executive of the Commission. He is

responsible for executing the policies of the Commission in the fields of production, processing and distribution of livestock and meat. These cover livestock improvement, marketing, research, economics and meat promotion. He is also responsible for public relations, finance and staff and the agency work.

Candidates should have had considerable administrative and commercial or industrial experience. An appropriate salary will be negotiated. There is a contributory pension scheme. A car will be provided.

Applications giving career details should be sent to Ellis and Fairbairn, 26 Old Brompton Road, London, SW7 3DL, by 28 February, 1979. Envelopes should be marked "M.L.C." For the attention of Mr. R. Fairbairn. Candidates should give the names of three referees who may be contacted after initial interviews have taken place.

Business Analysis

Circa £5,500
Mid Kent

Our client is the U.K. operation of a major multi-national marketing and industrial group. The Financial Analysts function is already well established and provides meaningful interventions of financial and accounting data.

This appointment as Financial Analyst gives immediate responsibility for the critical analysis of the performance and plans of a profit centred operating unit; the emphasis will be on commercial interpretation rather than number calculation.

There will be involvement in co-ordinating the annual budgets and long range plans, the preparation of profit plans and of information on product cost, pricing and investment appraisal. The person appointed will play a key role in the operating unit.

It is likely that candidates will be 28-37 with sound educational achievements preferably to degree level with a business or financial specialism and two years experience in commerce or industry. Candidates must be capable of rapid career development which will not necessarily be within the financial analysis function.

Location is near Maidstone, Kent. fringe benefits are good and will include relocation assistance where appropriate.

Brief but comprehensive details should be sent in strict confidence to: G.J. Cassell, New Appointments Group, Personnel Consultants, 5 Park Road, Sittingbourne, Kent, Tel: Sittingbourne 75431.

New Appointments Group
Personnel Consultants



SENIOR EXECUTIVES

If you are in the job market now - we are here to help. Coutts Careers provide:-

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Telephone now for a cost free assessment meeting.

Percy COUTTS & Co.

01-839 2271

140 Grand Buildings
Trafalgar Square,
London WC2.

F.X. CAREER ADVANCEMENT

Major U.S. Banking Group requires two management seeking people, fully involved with dealer support. Your previous general finance experience will be handsomely rewarded by way of a base salary to £4,500 plus bonus, 3 per cent mortgage and many other perks.

Contact:
M & J Personnel Consultants
01-839 1832

Regional Sales Manager

c. £8,250 + Car

Scottish & Newcastle Beer Company (North) Limited has the task of selling Scottish & Newcastle beers and lagers throughout the North of England. This is one of the most competitive and challenging markets for all the brewery groups—but also one of the largest sectors for the free trade, with its large clubs and tradition of serious appreciation of good beer.

It is for part of this area that we are now seeking an experienced and professional Sales Manager to be responsible for the activities of six Area Sales Managers, 24 Representatives; a Promotions and Development Manager and a Loans/Administration Manager. We are in no doubt that this is a vitally important role in determining the future success of our company in the North West, based at Chorley. The Regional Sales Manager must provide the drive and enthusiasm to secure future penetration of a highly competitive market; the professional skills to direct sales effort most effectively; and

the administrative back-up to ensure exemplary customer service.

This is not a post for anyone who is not experienced in a similar type of market. He or she must show a proven record of success in sales and sales management with a major UK company handling perishable consumer products. The Regional Sales Manager is an essential member of a senior regional management team and as such must be fully conversant with budgetary control and implementation.

The rewards include non-contributory Pension and Life Assurance, a company car and the prospects that only a big company committed to management development can provide.

Please write enclosing a full curriculum vitae to: H. R. E. Crosthwaite, Development & Selection Manager, Scottish & Newcastle Beer Company Ltd, Gilmore Park, EDINBURGH EH3 9SB.



Scottish & Newcastle Breweries Limited

Advertisement Sales

The Investors Chronicle, Britain's leading investment and financial weekly is expanding its Advertising Sales Force. The new staff will be required to sell both financial and display advertising for a publication that has an increasing circulation, and they will be expected to participate in the growth and development of the magazine into the eighties.

Display Advertisement Manager

The person appointed will be wholly responsible for all advertisement sales and the performance of the Display Advertisement Department. He or she will have a thorough working knowledge of the latest advertisement sales techniques, be widely known among the principal London advertising agencies, and be capable of training and motivating the display advertisement sales staff to achieve the highest standards in the industry. He or she is likely to be occupying a senior sales position, and looking for an opportunity to demonstrate his or her management ability.

Display Advertisement Sales Executive

The person appointed will be responsible to the Display Advertisement Manager for a selected number of advertising agencies and clients. He or she may not necessarily be currently employed in advertisement sales but must show considerable ability to sell, and be currently looking for an appointment in which he or she can work independently and achieve clearly-defined objectives.

Senior Financial Advertisement Sales Executive

The person appointed will be responsible to the Financial Advertisement Manager for financial advertisement sales in the Investors Chronicle, and also be responsible for the development of UK advertisement sales in Barrons, the leading financial and investment weekly newspaper in the United States. This is an appointment with considerable challenge, and the person appointed will be expected to achieve a senior management position in the near future. He or she will have a thorough working knowledge of financial advertising and advertisement sales.

Financial Advertisement Sales Executive

The person appointed will be responsible to the Financial Advertisement Manager for the sale of financial advertising in the Investors Chronicle. The person appointed will have a good working knowledge of financial advertisement sales and will now be looking for an opportunity to develop his or her potential with the market leader.

The Investors Chronicle is a wholly-owned subsidiary of The Financial Times Limited—therefore salaries and benefits will be in line with those of a major publishing company. The Financial Times Group is expanding and offers considerable career potential to the right people. If you think you could fill any of these challenging appointments, write to me now.

Mr. A. W. Broke-Smith,
Advertisement Director,
Investors Chronicle, Grosvenor Place,
Fetter Lane, London EC4A 1ND.



The financial weekly that really means business.

OUTBOARD MARINE BELGIUM N.V.

a subsidiary of Outboard Marine Corporation (U.S.A.), with production and marketing functions to serve Europe, Africa and the Middle East, is looking for a

SYSTEMS AUDITOR (M. or F.)

who will be in charge of analysing and auditing the various administrative and financial aspects of the affiliated distribution companies recently set-up in eight European countries, with the emphasis on standardized systems and high levels of internal control.

The function reports to the Administrative Controller of the European Subsidiaries located in Brugge, Belgium, and requires extensive travelling throughout continental Europe.

We look for candidates with the following qualifications:

- University degree (M.B.A., applied economics) or equivalent level by experience, maximum age: 35;
- strong background in administrative organisation, auditing and U.S. type accounting;
- large experience with mini-computer systems especially from a user point of view;
- ability to schedule and perform work through individual and systematic approach;
- fluency in English (working language). Knowledge of other European languages is an asset.

The salary will be in line with the background and experience offered and, the incumbent will enjoy attractive extra-legal benefits in an excellent working climate.

Applications, together with details and salary expectations are to be sent to:

The Director of Industrial Relations
Outboard Marine Belgium N.V.,
Pothoekweg 72, 8000 - Brugge (Belgium)

FOR LOCATION IN PARIS

Mid-Eastern young, fast-growing

INVESTOR GROUP

is seeking an experienced

INVESTMENT BANKER

with strong technical and marketing skills
Five years' experience preferred

Please send resume and photograph in confidence to:

CENTRE D'AFFAIRES GEORGE V
EXECUTIVE CENTRE
ATTN. MISS CHAMBOLE
30, AVENUE GEORGE V
75008-PARIS-FRANCE

CHARTERING BROKER

Shipping Company in Antwerp requires Chartering Broker with minimum 5 years' experience. Fluency in Spanish an asset. Please write Box A.6627, Financial Times, 10 Cannon Street, EC4P 4BY.

INVESTMENT MANAGEMENT ADMINISTRATIVE ASSISTANT

LONDON Circa £7,000

An experienced administrative assistant required for Portfolio Management Department of an expanding international bank. The successful candidate will be fully conversant with all aspects of securities administration and back-office services covering U.K. and overseas securities markets, including EUROCLEAR and CEDEL.

Knowledge of security analysis and portfolio management desirable although not essential as every opportunity will be given to develop those skills.

Ideally, applicants should be aged 25-35 and have had several years' experience with an international bank/investment institution or brokerage house.

Salary will be negotiable according to experience and entry normal banking fringe benefits.

Applications accompanied by a detailed curriculum vitae should be sent in strict confidence to Box A.6626, Financial Times, 10, Cannon Street, EC4P 4BY.

ACCOUNTANT

UP TO £7,500 LONDON, WC1

This is an appointment for a thoroughly professional and conscientious accountant who prefers to work for a small concern and is not seeking promotion prospects. Ideally, candidates might be looking for a final career move to an environment of this kind. Our client is a financial corporation associated with the N.I.S. and controlling loans amounting to £30 million. The accountant will supervise the whole accounting function and provide financial advice and support to the General Manager. Candidates need not be qualified but should have computerised systems experience. Pension scheme.

Applications in confidence quoting Ref. No. 6348 to:
E. A. C. Griffin,
MERYN HUGHES GROUP,
2/3 Curator Street, London EC4A 1NE.
Telephone 01-404 5801

FORTY PLUS TALENT?

It is a wise executive who learns how to make a successful career change.

If your job search is becoming a frustrating experience find out about the FORTY-PLUS CENTRE. London's new career service for top executives who are "forty-plus."

Telephone: 01-242 4875 for an appointment to see if you qualify.

FORTY-PLUS CAREER DEVELOPMENT CENTRE
Templar House, 81-87 High Holborn, London WC1V 6LS.



General Manager Management Services

British Airports is a profitable nationalised service enterprise which owns and operates Heathrow, Gatwick, Stansted, Prestwick, Edinburgh, Glasgow and Aberdeen. The Management Services Department provides a comprehensive service using a main frame Honeywell 66/10 and has developed an integrated flight information system based on mini-computers with teletext facility.

As a senior member of Airport Services Director's head office management team, the General Manager will be concerned with improving the cost effectiveness of the operation; generating a creative environment and giving policy guidance. Subordinate department managers control data processing and computer development; mini-computer systems; O&M. Staff number over 60 and current budgeted expenditure is £2m.

Candidates should have proven managerial skill and experience, a good knowledge of DP; O&M; business systems or advanced technology applications of information management.

Initial remuneration: negotiable from £10,000, possibly higher (scale now under review); car; index-linked superannuation scheme, etc.

Location Hayes, Middlesex, with a proportion of time at head office in Victoria. From 1981, re-locate to Gatwick.

Please write with relevant career/salary details - in confidence - to S. W. J. Simpson ref. B.38308.

This appointment is open to men and women.

MSL
International Management Consultants
Management Selection Limited
17 Stratton Street London W1X 6DB



EARN
£8,000 P.A. TO £25,000 PLUS

A leading firm of investment and taxation advisers require additional Consultants for their London, Birmingham and Manchester offices. Successful applicants will have the ability and knowledge to explain clearly the advantages of a range of attractive investment plans which are prepared by an expert professional back-up team. Personality, intelligence, enthusiasm and the ability to work hard are the principal requirements. Technical training will be provided initially and on a continuing basis.

A permanent, highly-paid and exciting career is offered. Write enclosing photograph, full C.V. and Tel. No.

TOP EXECUTIVE APPOINTMENTS,
5, West Halkin Street,
London SW1X 8JN.

Young Potential Partner

For Arab Chartered Accountants
London, to: £12,000

Our clients are a profitable fast-expanding London based Arab professional practice with interests in the Middle East, France and Germany. They now wish to strengthen their compact team by the addition of a qualified Audit Manager with demonstrable Partner potential. Handling clients with turnovers of £1,000,000 to £400m, the right candidate will have business acumen, man-management and problem-solving skills, flexibility, energy and a sense of humour.

Mrs. J.M. Brown, Ref: 19142/FT.
Male or female candidates should telephone in confidence for a Personal History Form to:
LONDON: 01-734 6852, Sutherland House, 5/6 Argyll Street, W1E 6EZ.

Hoggett Bowers

Executive Selection Consultants
BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD



Dyfed County Council, in co-operation with the six District Councils in the County through Dyfed Industrial Development Joint Committee, is committed to a policy of reducing unemployment throughout its area and to this end the County established in 1975

THE DYFED INDUSTRIAL DEVELOPMENT UNIT

The Unit provides a service to firms in the County wishing to expand or maintain employment, and to firms outside the County considering the establishment of new enterprises within Dyfed.

The County Council is now seeking a replacement for the retiring County Industrial Development Officer, Mr. F. A. Groot, M.B.E., and, at the same time, has decided to expand the staff of the Unit to provide better geographical coverage of the County. Applications are invited, invited for the following posts in the County Secretary's Department:-

1. COUNTY INDUSTRIAL DEVELOPMENT OFFICER (SEC. 77)-CARMARTHEN

GRADE: PO2(c) £7,968-£8,715 inclusive of Supplement

The successful candidate will be responsible for the effective operation of the Unit and for the preparation of all reports for the Industrial Development Joint Committee. He/she will advise the County Council on all matters relating to industrial and commercial development.

2. ASSISTANT INDUSTRIAL DEVELOPMENT OFFICER (SEC. 93)-HAVERFORDWEST

GRADE: PO1(c) £6,513-£7,230 inclusive of Supplement

3. ASSISTANT INDUSTRIAL DEVELOPMENT OFFICER (SEC. 103)-ABERAFON

GRADE: PO1(c) £6,513-£7,230 inclusive of Supplement

The two Assistant Industrial Development Officers will be responsible to the County Industrial Development Officer and will pay particular attention to the needs of firms in their respective areas.

Applicants for all three posts must have held a responsible position in industry (preferably in an Assisted Area) or have direct experience of industrial development work. For the post of County Industrial Development Officer, experience at a senior managerial level will be required. Applicants must be self-motivated, willing to work outside normal hours and capable of negotiating on their own at boardroom level with potential developers, as well as understanding the needs and problems of small businesses. A knowledge of existing industry in Dyfed would be an advantage.

For all three posts a certain amount of travelling outside the County will be required and an "Essential" Car User Allowance will be paid.

Application forms, returnable by 28th February 1979, are available from the Director of Personnel & Management Services, County Hall, Carmarthen.

CANVASSING DIRECTLY OR INDIRECTLY WILL DISQUALIFY.

PANMURE GORDON & CO.

require a specialist Sales Executive in the Convertible/Fixed Interest Market

The successful applicant will be joining an established team and will be expected to contribute to the formulation of ideas.

Ideally we are seeking a senior individual with substantial experience but are prepared to consider someone with lesser experience desiring to further their career. Salary is negotiable but will be competitive.

Please reply to:
G. F. Hallwood, Personnel Manager,
Panmure Gordon & Co.,
9 Moorfields Highwalk, London, EC2Y 9DS.

FUND MANAGEMENT ANALYST

c. £10,000 (North American Desk)

Our Client, one of the largest and most highly respected of the City financial institutions, wishes to recruit an analyst to join a small team in the Investment Department. This has overall responsibility for research studies and for making recommendations to the management on both trading and long-term funds.

The successful applicant will have either a professional qualification in economics or finance, and will have gained previous experience within a similar institution or firm of stock brokers. A sound knowledge of the North American markets is preferred.

The total remuneration package could well be around £10,000 p.a.

Please contact in strictest confidence:
D. W. Clark, F.C.A. Ref. 601.



David Clark Associates

4 New Bridge Street, London E.C.4 01 353 1367

Manufacturers Hanover Leasing U.K. Ltd.

FINANCIAL ACCOUNTANT

We are the U.K. equipment finance subsidiary of a major U.S. financial institution and have a career opportunity for a qualified accountant.

Based in the City, the responsibilities will include:

- ★ Financial accounting and reporting
- ★ Cash management
- ★ Contract administration
- ★ Investigation and implementation of accounting and administrative procedures including the use of time-sharing facilities

Starting salary will be in the range £6,500-£7,500 depending upon qualifications and experience.

A generous fringe benefits package is also available consistent with that of leading banking institutions.

Please write in confidence, giving full details, to:-

Robert Chris,
Financial Controller,
Manufacturers Hanover Leasing U.K. Ltd.,
22 Austin Friars,
London EC2N 2EN

Director Ceramics, Glass & Mineral Products Industry Training Board

to succeed the present incumbent, L. S. Newton, OBE, on retirement in September 1979.

The Board, whose reputation is high, was the first multi-industry Board. In harmony with national policy under the umbrella of the Manpower Services Commission, its objectives are the maintenance and improvement of training standards and manpower planning, the development of new concepts and the provision of comprehensive plans for training of manpower in the industries for which it is responsible. The Director advises the Board, implements its policies and directs its training and other specialists with full support staff. In collaboration with the Chairman he/she represents the Board at top official level with the Commission and other Government Departments.

Candidates, with backgrounds of distinction and repute, must have senior executive/general management experience in industry, preferably ceramics, glass or mineral products. Alternatively, comparable experience in higher education or the public sector welcome. Age limits 45 to 55.

Starting salary negotiable in the range £13,000 to £15,000; car; other benefits. Location, Harrow. Considerable travel to keep in close touch with the industries the Board serves is involved.

Please write with relevant career/salary details - in confidence - to S. W. J. Simpson ref. B.38306.

MSL
International Management Consultants
Management Selection Limited
17 Stratton Street London W1X 6DB



HEAD OF PRIVATE CLIENT DEPARTMENT

A leading merchant bank requires to appoint a Director within its Investment Management Division to head the substantial Private Client Department. The candidate will be responsible for the management of discretionary funds and marketing investment services. The successful applicant will be aged 35/45 and will have had a successful career which will have included the management of discretionary funds, leading a team and promoting the acquisition of new business.

A substantial reward package, including usual fringe benefits, is available to the successful candidate.

Please write or telephone in confidence to:

Directorship Appointments Limited

Somerset Gibbs,
17 Devonshire Street, London W1N 1FS.
(01) 580 7357

COMPANY SECRETARY

for
LLOYD'S BROKERS

Old established, rapidly expanding firm concentrating on the substantial business emanating from world-wide markets, with restricted specialised staff working on an extremely high profit ratio, with the highest average salaries in the industry, about to go public with the principal object of additional expansion by acquisition, requires **QUALIFIED ACCOUNTANT** as Company Secretary.

Candidates, aged between 28 and 40, must have had previous experience in the Lloyd's field; be fully conversant in the running of an Accounts Department and in the handling of Overseas Currencies; be people of some presence, and capable of investigating the accounts of other Companies with the aid of the appointed Auditors.

Duties include the preparation of interim and final balance sheets, provision of running statistics, handling of investments, budgeting, advising Management of the impact of new legislation and supervision of all internal office requirements reporting directly to the Joint Managing Directors.

Only persons presently on high salaries, in current employment, with strong loyalty records should apply as this is an appointment where there is no starting or reward, where a share in continually increasing profit is offered, in a Group where equity shares have been allocated to a number of long standing employees and where the successful candidate must be able to play an important part in a progressive team.

Details in the strictest confidence to Box A.8823, Financial Times, 10, Cannon Street, EC4P 4BY.

EUROBONDS FROM £5,000, our client offers a substantial salary plus benefits for person fully conversant in all aspects of Eurobond issues. Write to: 499 5204, West One Apt 1.

Business Development

Around £9,500 plus car
London

- A major UK retail group with an excellent reputation and growth record has an exceptional vacancy in the Finance Director's small review team, which covers long-term planning.
- New business studies, competitor review, profit forecasting and various non-routine financial matters. This analyst will be particularly involved in new business studies. Location: near Blackfriars.
- Candidates, aged say 28-30, are likely to be MBAs or economists. An accounting qualification is desirable. Prior experience should be in a sophisticated environment where "planning" goes beyond financial aspects to embrace wider marketing and commercial matters. The personal qualities appropriate to research and presentation at board level should be self-evident.
- For a fuller job description write to John Courtis & Partners Ltd., Selection Consultants, 78 Wigmore Street, London W1B 9DQ, demonstrating your relevance briefly but explicitly and quoting reference 7030/PT.



FINANCIAL / BANKING / STOCKBROKING ? COMMERCIAL ENTREPRENEURS

AGE 26-30 TO £8,750 PA

Our clients are the top professionals in their sphere of business which offers a financially oriented service to commerce and industry. The work demands good experience across a broad financial/accounting spectrum including the reading of balance sheets.

You will need to be self-motivated and able to represent the Company in meetings with top client management.

These new executives are required to place telephone no. 800-85 possible to arrange a preliminary interview.

THE PERSONNEL OFFICER, O.H.S. TRANSPORT LTD., MAJOR WAY, NEW ROAD RAINHAM, ESSEX RM13 8RW.

Young Bankers Merchant Banking

County Bank is seeking ambitious young bankers who wish to specialize in corporate lending. We offer the opportunity to join one of the professional teams in our Finance Division which is currently lending over £300 million in term finance to commerce and industry.

Ideal candidates will be aged 22/26, have a good academic background and some banking experience including possibly a knowledge of credit analysis and charged securities. They will have completed the examinations of the Institute of Bankers.

The Bank is expanding and there will be excellent opportunities for progression.

Please apply in confidence enclosing a C.V. to:-

David Woodward
County Bank Ltd, 11 Old Broad Street
London, EC2N 1BB

County Bank

A member of the National Westminster Bank Group

CHIEF ACCOUNTANT

Chief Accountant required by a Group of Private Companies in Essex engaged in the wholesale and retail meat trade. This post involves the preparation of monthly management accounts and annual accounts together with the supervision of all accounting and related administration functions. The commencing salary envisaged is circa £7,500 p.a. A company car will be provided and there will be participation in the Company Pension Scheme after a probationary period.

Please write with full personal details and C.V. to C.H.C., Rumford Chambers, 33, Market Place, Romford, Essex, RM1 3AB, reference P.M.

Director Designate

CONFIRMING HOUSE
Confirming, Export/Import and Trade Finance

Established London Confirming House (a subsidiary of a private international investment company), wishes to develop a Trade Finance operation in the UK and expand its existing Confirming activities internationally. Trade Finance will include import finance, accounts receivable finance, invoice discounting and stock finance.

This appointment is a rare opportunity for a self-reliant and ambitious person to establish himself within a small management team.

Applications are invited from candidates, male/female, aged about 30-45 who have had practical banking or similar financial/commercial experience. Knowledge of international and domestic Bills of Exchange, Letters of Credit, ECGD Buyer Credits and Confirming House transactions, credit appraisal, the taking of security and the legal aspects of banking will be useful. A proven record of performance, strong financial expertise and instincts together with a personality able to negotiate with clients and banks at all levels is essential. The appointment will be as a Director Designate (to be confirmed within 12 months) and will include some travel, particularly to Africa.

A remuneration package including profit sharing, car and BUPA is negotiable.

Please write in confidence to:

The Chairman, Stenham Ltd.,
Stenham House, 23, John Street,
London WC1N 2EU

INTERNATIONAL ASSOCIATION OF LEASING COMPANIES ADMINISTRATIVE MANAGER - LONDON

An association of some 21 Leasing Companies throughout the world seeks Administrative Manager to assist Secretary of Association based in London. The position will include corresponding with Members, lease referrals, a semi-annual bulletin and co-ordinating with the Association's Executive Committee. The applicant should ideally have some familiarity with international business but commercial school or an equivalent qualification is essential. Some knowledge of European languages would be an advantage. Age 22-30 years. Salary according to age and experience to include other benefits associated with U.K. employment.

Please apply in writing to Box A.6624, Financial Times, 10, Cannon Street, EC4P 4BY.

O. H. S. TRANSPORT LTD.

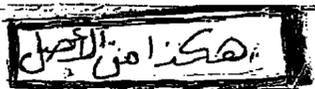
We are an international company operating in Europe and the Middle East and are looking for:

TWO MANAGEMENT PERSONNEL

The successful candidates for these posts will be M.B.A. graduates, preferably with an engineering background, fluent in Turkish (which is of utmost importance due to extensive business involvement with Turkey), French and/or German.

Frequent foreign travel will be necessary - Marketing, Insurance and Transport experience preferred. Initial salary £5,000 plus the fringe benefits of working for a large organisation. Selected overseas applicants interview can be arranged at company's expense.

For an application form (to be returned by 20th February 1979) write to: THE PERSONNEL OFFICER, O.H.S. TRANSPORT LTD., MAJOR WAY, NEW ROAD RAINHAM, ESSEX RM13 8RW.



Financial Analysts

**A crucial role
supplying management information
£8,000-£9,000p.a. - Reading**

In a successful organisation the constant flow of effective and accurate financial information is essential to the decision making process.

Financial Analysts at the operational level is a challenging and stimulating task dealing as it does with rapidly fluctuating needs and priorities. It is at this level that we now wish to appoint two talented financial specialists to provide full information and guidance to our Functional Managers.

The positions are broadly similar sharing the following common aims:

Planning & Budgeting

In which you will assist Functional Managers to understand and use planning and budgeting processes.

Long Range Planning Capital Expenditure Evaluation

Which will involve you in reviewing performance against budgets.

Business Management

—including pricing proposals.

Obviously these are positions which offer considerable influence in the further development of Digital and our day-to-day management. Our need, therefore, is for well qualified and experienced people, probably graduates with ACCA, ACA or ICMA plus about four years experience.

As you'd expect in an important position with the world's leading designers and manufacturers of mini computers, there's an attractive negotiable salary, comprehensive fringe benefits and an excellent career path. Relocation expenses will be provided where appropriate.

For full information, please write to Peter Murray, Planning and Analysis Manager, Digital Equipment Co. Ltd., 252-256 Kings Road, Reading, Berks. Please quote ref. 504.



DEPUTY HEAD OF LOAN SYNDICATION

LOCATION BAHRAIN

A rapidly expanding syndication department of a major and growth-committed Gulf-based wholesale bank requires a Deputy Head of Syndication.

The candidate most suited will be 30 plus and will have had sound commercial banking experience with no less than three years in Loan Syndications, including Lead Management roles. His present location will be either the City of London or one of the acknowledged major syndication centres.

He will be required to travel extensively.

This is a CAREER POSITION of interest to somebody currently earning not less than £15,000. The salary will be negotiable, tax free for most nationals. Fully furnished accommodation will be provided plus a generous annual leave together with a paid return fare to home country for staff member and family.

All other benefits in the compensation package will be those usual to career bankers in the Middle East.

Please send your application and c.v. to:
V.P. HUMAN RESOURCES
P.O. Box 1017, Manama, Bahrain

All communications will be treated in the strictest of confidence

accountancy personnel

TREASURY ACCOUNTANT

Essex/London Border £8,000 + Car
Corporate Head Office of £100m turnover industrial group seeks ACA to monitor and control cash and credit management functions: high level of involvement with funding and policy-making. (Ref. 3210)

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Herts c. £10,000 + Car
Experienced qualified financial executive and commercial decision maker (35-45) to join rapidly growing distribution subsidiary of multinational as key member of central management team. (Ref. 3510)

ACCOUNTANT: MANAGEMENT ROLE

City £8,000 + Car
Successful commodity trading group offers broad scope of responsibility to qualified person (25-30) in No. 2 finance position; control/train dept. of 12. (Ref. 3450)

COMPUTER LEASING

London SW1 £7,000-£8,000
Graduate ACA (25-28) to join \$450m U.S. Co. Investigations/project orientated financial reviews and accounting; excellent prospects in fast growth industry. (Ref. 3408)

Please telephone or write immediately to:
Accountancy Personnel Senior Appointments,
41-42 London Wall, EC2M 5TB. Tel: 01-588 5105

Director of Purchasing

Above £12,500, plus car

Spennymoor, Co. Durham.

This is an opportunity to head up one of the most successful U.K. purchasing operations. Black & Decker Limited is highly profitable, growing and market leader in its product range — an independent part of an international marketing and manufacturing organisation.

We are looking for a Purchasing professional, who is essentially:

- used to working in a fast moving, highly competitive environment
- familiar with U.K. and European sources
- used to employing advanced purchasing techniques around nil inflation objectives
- experienced in manufacturing industry particularly automotive, automotive supply or consumer durable organisations
- capable of dealing effectively with Black & Decker top management in U.K. and Europe
- prepared to provide high level thinking while working under operational rigours
- age late twenties to mid thirties, male or female

The job holder, reporting to General Manager level, will have overall responsibility for 2 plant purchasing operations, over 3 sites, directing a team of around 30. There is a spend in excess of £20M growing at the rate of at least 15% per annum.

The Director of Purchasing will, in addition, provide a service in our search for completely new and diverse products and should be capable of influencing purchasing policy in the European Group of Black & Decker companies.

The post is vacant through promotion and has previously been a stepping stone to general management.

Location Spennymoor, County Durham. Removal expenses if required.

Please write giving brief career details, including job and salary progression to:
P. S. Simpson, Director of Organisation Development, Black & Decker Ltd., Cannon Lane, Maidenhead, Berks.
Telephone: 062 882 2130.

Black & Decker

Financial Controller

London W1

c. £9,500pa.

An expanding group of companies with substantial interests in mining and housebuilding both in the U.K. and overseas requires a Financial Controller.

Reporting to the Financial Director and operating from Head Office, the Financial Controller will be responsible for controlling and supervising the accounting and financial activities of the Group. Important areas of responsibility will include the preparation and review of monthly management information, the consolidation of subsidiary company accounts and the control of bank borrowings.

The successful candidate, who will probably be around 30 years of age, must have:-

- A recognised accountancy qualification
- Sound post qualification experience particularly in the preparation of consolidated accounts
- Commercial experience gained primarily with the fast growing organisation
- Maturity of outlook and the ability to command respect from colleagues in the operating subsidiaries.

The salary for this career appointment will be negotiable around £9500 p.a., and other benefits will include an attractive pension scheme.

Applications from candidates of either sex, giving brief personal details/career history and quoting reference FT/69/F should be submitted in confidence to:-



Turquand, Youngs & Layton-Bennett,
Management Consultants,
11 Doughty Street,
London WC1N 2PL.

Assistant GROUP TREASURER

Finalist c. £7,000

An excellent opportunity to join an expanding function within the International Head Office of a major Civil Engineering Group. Preference will be given to a graduate finalist or newly qualified ACA who will enjoy occasional overseas travel and excellent prospects for personal career development.

call

Robert Miles
01-248 6321

Personnel Resources
Limited
Recruitment Consultants

INTERNATIONAL MANAGER —ADMINISTRATION

c £10,000 + car
W. London

PRIME Computer's International Operations has seen significant growth over the past two years. Indeed, it has contributed more than 35% to the total company's sales performance. As a result, we are expanding our International Finance and Administration staff to meet the ever increasing demands of the future.

Reporting to the Director, International Finance & Administration, you will be responsible for providing reliable, accurate and timely Administrative Systems within PRIME's International Operations. Your main duties will be to:

- * Develop and administer orders/shipments, statistical data policies and procedures.
- * Develop/co-ordinate/consolidate subsidiary business forecasts to predict critical marketing trends and analysis.
- * Monitor state of business, identify problems, provide solutions.
- * Develop and co-ordinate contract terms and conditions.
- * Assist in developing production leasing program.

We are looking for a mature man or woman, probably in mid 30's, who is a self starter who follows through on assigned projects, while identifying required business needs within their scope of activity.

A University Degree is preferred with ideally marketing exposure in an American based company.

This is a challenging, key position in a company which is growing rapidly and is extremely profitable. As well as being financially rewarding we also offer much in the way of job satisfaction.

As an international company, we offer a competitive benefits package, including BUPA, a company car, stock purchase plan, pension scheme, four weeks holiday and, most of all, the opportunity to be with the fastest growing computer company in the industry today.

Please forward your career details, in confidence, to Alan H. Silva, Director, International Employee Relations, for a quick response.

Prime Computer International,
The Hounslow Centre,
1 Lampton Road,
Hounslow,
Middlesex TW3 1JB



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HEAD OF MANAGEMENT SERVICES / DIVISIONAL MANAGEMENT ACCOUNTANT

London N.W.

Negotiable salary

TI Domestic Appliances is a large and diverse division of Tube Investments and comprises 21 operating companies manufacturing products under such famous names as Creca, New World, Fussell Hobbs, Sunhouse and Towac. The Group has a combined turnover of approximately £150 million.

This important appointment arises due to internal promotion: the Head of Divisional Management Services fulfils a major role in the Domestic Appliance Division and is responsible for the development and guidance of computer-based management information systems in several of the Division's companies, making use of divisional or group computing facilities where appropriate.

Reporting to the Divisional Finance Director, the Head of Management Services is backed by a young and enthusiastic team of numerate graduates. In the capacity of Management Accountant, the successful applicant will be involved on special accounting projects, which together with the financial bias of the systems development work, indicates the

necessity for an Accountancy qualification, preferably A.C.M.A.

The ideal candidate (male or female) will have several years' broad-based experience in this field, in manufacturing industry, including the smooth introduction of a computer-assisted management information system. He or she will have a proven track record, and the confidence, self-motivation and authority to communicate effectively with all levels of management. Preferred age range 30-40.

Although based in North West London, this position involves travel throughout the UK. In addition to a competitive salary, a company car and a comprehensive benefits package will be offered to the successful candidate, who may expect excellent prospects of advancement within both the Division and the Group. Please send a detailed c.v. to:

J. G. Thwaites, Esq.,
Divisional Finance Director,
TI Domestic Appliances Ltd.,
Radiation House, North Circular Road,
London NW10 0JF.



DOMESTIC APPLIANCE DIVISION

Marketing Manager

Unit Trusts

c £12,000 + car

An old established City institution wishes to strengthen the marketing function of its unit trust management company. Reporting to the Board, this is a new appointment related to the next, planned, phase of growth of their unit trusts.

Employing market research, publicity and field advisory techniques the Marketing Manager will develop, justify and execute profitable marketing plans. He or she will make a significant contribution to long term plans and new developments.

This appointment will appeal to a mature Marketing Manager aged between 30 and 45, who has had appropriate financial or savings experience. Those with merely selling experience in the securities or insurance fields are unlikely to be broad enough for this appointment. Those offering advertising or public relations experience would require a strong financial marketing background at some stage of their career. A degree, MBA or a professional qualification would be an advantage.

A remuneration package is to be negotiated at around £12,000. A car is to be provided. Future advancement depends upon marketing performance and could lead to advancement within the Group.

Candidates, male or female, should write for a personal history form, quoting reference NCS/5040 to Roland Orr, Executive Selection Division, Southwark Towers, 82 London Bridge Street, London SE1 1SY.



EXECUTIVE DIRECTOR MICRO COMPUTER DIVISION

C. £10,000 BASIC + CAR

A new post in an expanding Systems House—the company forms part of a large well established computer oriented group of companies, has considerable backing from that source, is highly successful and is staffed by a strongly motivated competent and cohesive group of professionals.

Applicants must be able to negotiate at the highest levels from both technical and commercial standpoints. They must also have extensive front line experience in mini computer systems and have a well proven management track record in this field.

Salary as above, plus all usual big-company extras.

Replies with curriculum vitae to:

Malden Foster Consultants,
78 Wimpole Street,
London W1.
Reference 581

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with 2 1/2 years' experience preferably documentary credits and/or FE instructions, required by a City Merchant Bank. Good salary, free lunches, assisted mortgage, etc. Write or phone: Mrs. Shand 01-252 6263 CHARTERHOUSE JARNEY LTD., 1 Paternoster Row, St. Paul's, London EC4M 7DH.

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Seeks consultancy (on a retainer basis) from reputable firm or organisation that lends in need of advice and information on political, parliamentary and governmental affairs. Write in confidence to: Box 4525, Financial Times, 10 Cannon Street, EC4P 4BY

Finance Analyst

Northern Nigeria Circa \$28,000 tax free, plus benefits

This important position offers good commercial experience in addition to the opportunity for capital accumulation. Based in one of the more desirable locations in Nigeria, the three year contract includes annual leave, education and car allowances, free housing, end of contract gratuity and a substantial tax free salary. Responsibilities embrace the financial management of a multi-million dollar agricultural development project, funded by International Development Financing and the supporting financial staff are headed by a qualified accountant. Candidates should themselves be qualified accountants or graduates in business management, preferably over 30 and with previous overseas experience.



Please telephone 081-628 3838 for an application form at any time or send full personal and career details to John L. Overton, F.C.A., M.E.C.I., Overton Management Selection Limited, Monaco House, Bristol Street, Birmingham, B5 7AS, quoting reference 3/1186/F.T.

Applications are welcomed from men and women.

OVERTON MANAGEMENT SELECTION

Joint Venture Auditors-London

BNOOC's growing contribution involving UK offshore oil developments and production includes audits of partnership interests in which the Corporation acts as a licensee rather than operator. In all BNOOC shares licence interests with over 100 companies.

You will be able to make your personal contribution if you are appointed to one of several new posts, at various seniority and responsibility levels, in the London based Joint Venture Audit Department.

Your prime function will be representing the Corporation on joint audit committees, which form part of the continuous liaison process with many international oil companies and petrochemical contractors. As an Auditor, you will be used to travelling within the UK, with BNOOC it will be no different, but the pace may be.

BNOOC

The British National Oil Corporation

Successful candidates will be:-

- * Fully qualified - with significant joint venture audit experience.
- * Newly qualified - with only limited professional experience.
- * Unqualified - with in-depth audit experience.

Whatever category you belong to, you will have the chance to prove your personal potential, in fact you will be expected to.

Your salary will reflect the responsibility of the job and market conditions in the oil industry. There are other benefits including an unusually attractive relocation package and pension scheme.

In the first instance contact:- The Personnel Manager, BNOOC, 33 Hans Crescent, London SW1X 0ND. Telephone Number: 01-539 4565.

General Manager

Yorkshire c.£12,000 pa

This is no ordinary GM role. It requires a special empathy with the people of the area, which is steeped in tradition. The company is part of a large electronics group based in the south, and the appointment results from the decision to devolve authority in recognition of the need for strong local leadership.

Responsibility is to the group's Managing Director for the profitable management of several product lines. The initial emphasis is on productivity improvements to establish a firm manufacturing base for future market initiatives. The key to these advances is the development of sound employee relations practices in both manual and staff areas.

Candidates, men or women in their thirties, will be graduates in a science or engineering discipline. A manufacturing background is essential, ideally showing evidence of successful man-management in high quality, high volume production in light engineering. Marketing flair is also an important quality, and we shall be assessing candidates' potential for promotion in this vibrant group.

Salary is not expected to be a limiting factor, and there is a valuable range of benefits including a quality car.

Apply in confidence by sending a curriculum vitae or telephoning for an Application Form, quoting reference GMY.

Cambridge Recruitment Consultants

1a Rose Crescent, Cambridge CB2 3LL Telephone: 0223 311316

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Our client is a major automotive manufacturer wishing to recruit Export Managers for its Middle East regions. The jobs will be UK based with travel to the Middle East and will attract candidates aged 35-45 who have automotive or capital goods selling, marketing or distribution experience and first hand knowledge of Arab markets. The remuneration package, which includes generous relocation expenses, is extremely attractive, and potential for future promotion is good.

Apply in confidence for an application form, quoting reference C212, to: ERP International Recruitment Limited, Clarence House, St. Werburgh Street, Chester CH1 2DY. Telephone: (0244) 317886 (Answerphone after 5.00 pm).



Offices in London, Chester, Jeddah, Amsterdam, Brussels, Milan, Paris.

Assistant in the Treasurer's Department

c. £7,500 p.a.

The Treasurer's Department at the London Headquarters of RTZ, the UK based mining and industrial group, is involved, either directly or in an advisory capacity, with fund raising, cash management and planning, currency risks, dividend policies, remittances, and investment funding proposals.

The increasing work load handled by this department has created the need for an additional member of the small professional team who will assist in all aspects of the department's work, but will specifically be responsible for:

- preparing a monthly report on certain cash positions;
- monitoring the cash and borrowing position of subsidiary companies;
- reporting on market rates, interest rate structures and share price movements.

The job is most likely to appeal to a young man or woman who since qualifying as a chartered accountant, banker or lawyer has had 2 or 3 years experience and is now looking for a move into the commercial aspects of financial and treasury work.

An attractive salary will be offered based initially on the person's previous experience.

RTZ

Please write giving details of career to date or telephone for an application form to: D. W. Westcott, Group Personnel Services Department, Rio Tinto-Zinc Corporation Ltd., 6 St. James's Square, London, SW1Y 4LD. Tel: 01-930 2399.

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The position Reporting to and working closely with a main board Director. Responsible for providing interim reports to the board involving financial and statistical analyses. Some operational planning and company secretarial work will also be involved. There will be a requirement for occasional travel overseas.

The person He/she must be a qualified Chartered Accountant with probably some experience in a Merchant or American Bank. An ability to analyse and communicate is of prime importance.

Please apply in the strictest confidence to Ian Willis.

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Finance Director Designate

North West

c. £12,500 + car + benefits

Chartered Accountants with a sound knowledge of large company accounting practices and standards, preferably American, will be attracted to this excellent position. You will be deeply involved as a member of the senior management team and must possess good management experience, a well developed business acumen and have a strong outgoing personality. Working with the Managing Director of this successful manufacturing company, you will greatly contribute to effective business control and development. The excellent remuneration package includes an excellent bonus scheme, executive car and top hat pension. Career potential is first class. Removal expenses are available.

Telephone: 061-832 6631 (24 hr. service), quoting Ref: 2283/FT. Reed Executive Selection Limited, 15 Piccadilly, Manchester M1 1LT.

The above vacancy is open to both male and female candidates.

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Our client is a Group of Companies engaged in the distribution of Agricultural machinery, Contractors plant and Leisure equipment and whose turnover is approaching £18m. Comprehensive re-organisation to meet on-going expansion has created a challenging opportunity for a Financial Controller.

This appointment involves complete control of the Group's financial systems, providing full management information and features the continuation of a computerised accounting and stock control system.

Candidates will be qualified accountants with commercial experience, preferably in an industrial wholesale/retail environment. They will have a sound knowledge of DP systems and an affinity to the rural way of life. Age range - mid 30's to late 40's.

In addition to a salary of c.£8,500 there is a quality car and an excellent benefits package. Prospects are very good.

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Bristol — Roy Forgan Bristol 39336
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You will need to be between 22 and 55, sales orientated and have a proven record of success in your previous career.
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Croydon, CR9 2DR.
ref. FT/L2



Bank Inspector/Internal Controller

Saudi Arabia

Albank Alsaudi Alhollandi, a Saudi-Dutch Banking Corporation established in 1977, with which the Algemeene Bank Nederland N.V., with its Head Office in Amsterdam has a technical management agreement, wishes to appoint a person to be responsible to the Managing Director for the internal control and inspection of its Branches in Saudi Arabia. The appointment is for a period of 3-5 years with the possibility of extension. Initially the base will be in Jeddah but extensive travel within the Kingdom will be involved. Candidates should have had considerable banking experience, preferably with an international Bank and be fully conversant with banking procedures.

An attractive salary commensurate with experience will be paid tax-free in Saudi Arabia. Free accommodation, with basic furnishings plus usual benefits will be provided plus generous annual leave to Europe with economy air fares for the officer and his family.

Written applications please accompanied by a detailed Curriculum Vitae, should be addressed to:
P. B. Reuk, Personnel Manager,
Algemeene Bank Nederland N.V.,
61, Threadneedle Street, London, EC2P 2RH.

Company Secretary

London, E.C.3.

c. £10,000 + Car

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A secretariat is now being created and the company is seeking an experienced Company Secretary to establish a department which will be expected to participate fully in the company's development. The position will report to the Managing Director.

Applicants should be qualified, A.C.I.S. or equivalent, with post qualification experience in all aspects of Secretarial duties. An insurance industry background would be preferred but is not essential.

The remuneration package for this important appointment will be substantial. In addition to salary and participation in the company's profit sharing scheme, a company car will be provided together with non-contributory pension scheme, free life assurance and BUPA.

Please write giving full details to:-

Mr. A. D. Kilby,

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INSURANCE COMPANY
110/112 Fenchurch Street,
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The Staff Partner

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Divisional Management Accountant

£9,000+ and car

The Health Products Trading Division of Booker McConnell Limited is an international operation with bases in the UK, US, Canada and the Caribbean. It is concerned with the manufacturing, wholesaling and retailing of health foods, dietary supplements and pharmaceutical products. Sales are over £20m per annum.

To extend the controlled growth of its various businesses, the Division now seeks a senior Management Accountant. He or she will be responsible to the Finance Director for:

- * Creating and updating effective top management information and activity control systems.
- * Analysing and reporting on business performance, at both trading company and divisional levels.
- * Assisting in development of strategic plans, taking into account industry segment/company analysis.
- * Investigating designated problem areas and/or projects, including prospective acquisitions.

Candidates should have a successful record of achievement in similar areas of responsibility. Aged early 30s, they should have sufficient mobility to meet possible short-term assignments abroad. A relevant degree or recognised accountancy qualification is essential.

The post is based at Byfleet, Surrey. Assistance will be given with relocation expenses if necessary. Applications, giving details of career history and salary progression, to:-

Finance Director,
Health Products Trading Division,
BOOKER MCCONNELL LIMITED,
Beaver House, York Close,
Byfleet, Surrey KT24 7EN

Lending Officer

LATIN AMERICA

Atlantic International Bank is seeking an experienced lending officer in London to manage its Latin American loan portfolio and to further develop this and other areas.

Candidates will probably be over 30 with at least five years in banking, a sound credit background and client contact experience. Familiarity with South America and of Spanish language would be an advantage.

An attractive salary is offered with valuable additional benefits.

Please write in strict confidence, quoting reference BD/2 to:

David Williams,
Company Secretary,
Atlantic International Bank Limited,
65-66 Queen Street,
London EC4R 1EH.

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12 Chemin Rieu, Geneva, Switzerland

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THE ARTS

Record Review

Mignon, Nabucco by MAX LOPPERT

Thomas Mignon, Marilyn Horne, Alain Vanzo, Ruth Welting, Nicola Zaccaria, Frederica von Stade etc./Ambrosian Opera Chorus, Philharmonia/De Almeida. CBS Masterworks 79401 (four records), £14.99.

Verdi Nabucco. Matteo Manuguerra, Renata Scotti, Nicolai Ghiaurov, Veriano Lucchetti, Elena Obraztsova etc./Ambrosian Opera Chorus, Philharmonia/De Almeida. HMV SLS 5132 (three records), £13.10.

Not everyone in France casts a benevolent eye on the gramophone companies' current exploration of neglected corners in the French operatic repertoire. A notice of the CBS set of Ambroise Thomas' Mignon in the November issue of Lyrica (the French opposite number of our own Opera) lets rip on the old warhorse, once a staple part of the Opera-Comique repertoire (1,500 performances by 1919, 52 years after the premiere in that theatre), now semi-forgotten.

Heinz Gallery. The first image to strike the visitor to the exhibition Satanic Mills, which opened yesterday at the RIBA Heinz Gallery, is a long, thin, dark oil painting.

from a later era, Pénélope de Pauré, Ariane of Dukas, and Padmarati of Rousset) immediately spring to mind. Otherwise, seeking out operas like Mignon is at least part of the gramophone's function, and this set, as long as expectations of it are not set impractically high, should awaken the interest of the curious, and even give pleasure.

More than with Gounod's Faust, far more than with Massenet's Werther, it is essential to put Gounod out of mind, to forget that Wilhelm Meisters Lehrjahre supplied the librettists, Carré and Barbier, with yet another masterpiece for operatic dilution. But, even when judged on its own merits, the libretto proves to be a flimsy piece of work, sketchily plotted and shakily resolved, thinly characterised, and formula-ridden.

The strongest charge that can fairly be laid against the music is that, unlike Massenet's in his Goethe opera, and much like Gounod's in his, it supplies no compensating or unifying tone of its own. (Emotional depths or elaboration of character and situation we soon learn not to ask of it.) There are touches of local colour in the rhythms (notably in Mignon's strophic, and in borrowings of the polonaise, bolero, and habanera elsewhere), attractively but far from consistently applied; with every appearance of Philine, the high-colouratura soprano role, the music tends to trip off into those mindless, flashy vocal flourishes so typical of the middle-19th-century opéra-comique. But pace the Lyrica reviewer, it goes down easily and often enjoyably. Of

the two principal strains in it, the pathetic (as represented by the gentle lyricism of the mezzo soprano), and the vivacious, it is the former that draws from Thomas his most potent truesd vein of melody. Mignon's "Connais-tu le pays" deserved its long popularity on 78s and in Grand Vocal Concerts; the sum of its simple phrases is both prettily sentimental and vocally flattering (though for full experience of its charm, one must have access to Conchita Supervia's records of it in addition to the present set).

The CBS presentation of the work has been thoughtfully undertaken. A very full edition complete with appendices, offered (textual variations caused by additions and alterations for later revivals of an immediately and widely popular work are as complicated as in Handel); the situation is explained in a scholarly if somewhat ill-written booklet note by Michael Williamson. Mignon, originally a true opéra-comique, mixed music, spoken dialogue, and melodramas in well-planned juxtaposition. It seems to me a great pity that the conductor, Antonio de Almeida, failed to insist upon this original mixture, instead of performing the work in its later, "through-composed" form: the recitatives, though Thomas's own badly-dog up dramatic movement, and what was once no doubt a light and speedy blend of speech and song becomes ponderous, and the lack of substance in the musical invention becomes over-exposed, across eight full record sides. One tends to recall, during the soggy patches of recitative, how much more artfully Massenet, with his expertise in keeping words fluid and agile upon the music, was to mix and match the same ingredients in the later Manon, for which in many ways Mignon prepared the way.

The cast is interesting, wholly

professional, not wholly satisfying. Marilyn Horne takes the title role. Frederica von Stade the minor part role of Frédéric (originally for a buffo tenor, reassigned to and amplified for the mezzo Trebelli in the 1870 London premiere). Bluntly, it must be suggested that in an ideal recording the two would have been invited to exchange assignments. Horne's forthright vocalization, with its chesty extensions and now rather blowy high notes (emphasized by a sometimes unwise choice of high options), is carefully disciplined and intelligently tamed by the singer; but still the impression is of a commanding, mature rather than of a poor-creature in-rags pathos, a Von Stade speciality.

As Wilhelm Meister, a cardboard part redeemed by elegant tenor writing, Alain Vanzo, though still clean of emission, was recorded a few years too late to catch the dapper, limber tone of his best form. Most apt of voice is the American soprano Ruth Welting, sweet and fleet in Philine's every florid sally, charmingly light and partly of infection. The Philharmonia and Ambrosians seem also to have been caught on less than sparkling form—one or two orchestral errors have gone uncorrected—but the dulled edge may be the consequence of a woolly recording, and the irritating superimposition of so much blabbering crowd chatter. In choice of tempo, and in the way the numbers are shaped (a cunning holding-back, for example, of the start of Philine's Follies), the conductor convinces the listener that his affection for the music is both sincere and purposeful. Mf1.

While Riccardo Muti's strong convictions about Nabucco are no less clearly in evidence, one begins to doubt whether they best serve the work itself. This is his fourth Verdi opera re-

recording, and his least persuasive. The virtues of precisely weighed and balanced orchestral execution and choral singing from the omnipresent Philharmonia and Ambrosians (lacking though these are in the native colour and warmth that mark Muti performances in his Florence opera house) remain compelling. Yet the quality of "interference"—of hustling the pace, of too insistently correcting the flow of music which requires to be naturally and simply unfolded—seems less temperate than before. Or else it is that early Verdi, if its brash elements are not to seem the most dominating, want a less interventionist approach than he brings to it. Whatever the cause, the result is immediately striking, scored with big, brassy sonorities and lashed by tightly clipped rhythmic articulation; and, in the long run, wearisome.

The singing, though always accomplished, is not so remarkable as to alter one's opinion. In the title role it is refreshing to find not one of the Big Two or Three recording baritones, but Matteo Manuguerra, a mature singer of wide experience, better known in France and in the U.S. than here. His Nabucco imposes a strong though sometimes blank) vocal manner and a sure command of the drama—until Tito Gobbi on the 12-year-old Decca recording is recalled, drier of tone but unforgettable in tormented majesty. Though (as in her recent Florence Norma, also with Muti) I warm to the bold, generous attack Renata Scotti brings to her dramatic soprano roles, and admire the still delicate tracery of her soft singing, Abigaille's big, dark timbres, not hers by nature, and staid, even when concealed, is never far from the surface. Chlaurov, as the Hebrew priest, also imposes weightily, with a bass of now reduced firmness and security.



Lawrence Werber and Devon O'Brien

Tower, Canonbury N.1

Don't Drink the Water

by MICHAEL COVENEY

Thanks to the Tower, London audiences may now be alerted to this very funny 1966 comedy by Woody Allen, no less. The delights of an amateur production in no way detract from the positive value of seeing an old-fashioned Broadway-style farce set in an American embassy beyond the Iron Curtain. The central character, who really needs to be played by Mr. Allen himself, is a hapless official trying to engineer a spy-swap while pursuing, at first vainly and ultimately successfully, the luscious daughter of the trapped New Jersey couple.

As Axel is told by his eventual father-in-law, "years of insanity have made you crazy," the sort of line that reduces the whole delightful shambles to a recognisable comedy. Axel's beloved's parents are triggered from an increasingly difficult "spy-swap situation" by disguising themselves as Arabs at an Embassy cocktail party (offstage) and utilising the powerful weapon of onstage

audiences may now be alerted to this very funny 1966 comedy by Woody Allen, no less. The delights of an amateur production in no way detract from the positive value of seeing an old-fashioned Broadway-style farce set in an American embassy beyond the Iron Curtain. The central character, who really needs to be played by Mr. Allen himself, is a hapless official trying to engineer a spy-swap while pursuing, at first vainly and ultimately successfully, the luscious daughter of the trapped New Jersey couple.

Royal pictures at National Portrait Gallery

Eight portraits from the collection of the Queen have been loaned to the National Portrait Gallery.

They include several portraits by Van Dyck, the most outstanding being those of

Charles I in Three Positions, and the group portrait of his five eldest children.

The portraits are on view on the mezzanine floor at the National Portrait Gallery, St. Martin's Lane, until the end of April.

Satanic Mills by GILLIAN DARLEY

The first image to strike the visitor to the exhibition Satanic Mills, which opened yesterday at the RIBA Heinz Gallery, is a long, thin, dark oil painting. The subject is Bolton in 1885, the city dimly perceived through veils of smoke penetrated here and there by tall chimney stacks. Veils of smoke may not hang over the Pennine mills today but veils of prejudice still obscure the industrial fabric of West Yorkshire and Lancashire. The feature of this exhibition is to present this landscape. Sublime in Burke's original sense in its own strange beauty. The photographs by Randolph Langenbach, an American designer and historian, are eloquent proof of this magnificent composite scene—the terraced housing, the massive craggy mills and their towering chimneys, the bridges and viaducts which knit the town together, and are apparently poured into the crevices of the terrain.



A telescopic view of chimneys in the mill district of Huddersfield

Behind and above this man-made pattern lies the unaltered, natural landscape of the area, always reversible and as fine as any in the country. The point these images make so forcibly is the importance of the whole—few individual mills are architecturally distinguished but en masse they contribute to an environment of splendid quality. Much has already come—a number of Langenbach's photographs chronicle demolitions—but the exhibition, organised by conservation pressure group SAVE, aims to challenge the assumption that it is a necessarily continuing process. The Pennine mills are not, the organisers argue, so many antiquities but represent in many cases assets in areas suf-

fering the classic problems of economic depression: not merely unemployment but de-population and loss of skilled workers. Many mills are continuing to function effectively. Both the major carpet manufacturers of Halifax, for example, are housed in complexes of

multi-storied mills dating from the 19th century, while denim is manufactured in a fine reconditioned mill at Bacup in Lancashire. Elsewhere the mills have found new uses; sometimes for what planners term "twilight uses", sometimes for mail order warehouses and

storage. Local authorities' attitudes vary widely, but few are actively promoting the use of the redundant mills and the introduction of the Industrial Improvement Area (pioneered in Rochdale in 1976) seems to be less of a safeguard than had been hoped. Yet West Yorkshire County Council, in a lead role promoting industrial expansion, makes a strong case for mills: "Many are re-emerging as prestige properties in their own right and have a considerable advantage over their modern rivals, with much lower freehold valuations and rentals."

The exhibition shows some of the re-used Pennine mills—including one for electronics manufacture, and one converted into small workshop units. Nothing there competes with the efforts made in the United States, where the Digital Equipment Corporation at Maynard, Massachusetts, employs 8,500 in a group of converted mills and the mill town of Lowell has been designated a National Historical Park. Museum use is, of course, one potential adaptation for the better sited and most architecturally significant of the mills, and there are signs that local authorities are awakening to these possibilities and to the idea of designating a comparable industrial national park in the Pennines.

The great mills, as seen in the photographs, paintings and architectural elevations on show at the Heinz Gallery, were prestige advertisements of the prowess of each particular company within the wool and cotton industries; few enough companies use their factory buildings as letterheads today—yet for the textile manufacturers of the 19th century it was de-

rigour. Justifiably they were proud of the great complexes housing their works. The exhibition conjures up some of that pride. The organisers have carefully emphasised the achievements to date in finding a future for the buildings within this unique landscape—Langenbach's photographs remain the epitaph for those that have gone.

Yet a shift of taste is detectable. As the 18th century rural mill has become valued over recent years so too it seems likely that the 19th century mill may, if only on practical grounds, find favour again. Awareness of the qualities of this landscape, and the history that is implicit within it, is growing and is being encouraged. Conservation legislation, geared and worded to favour the extraordinary, not the ordinary, can do little for the Pennine mills—they have to prove feasible in economic terms. Neil Cossons, director of the Ironbridge Gorge Museum, recently characterised the landscape of the industrial revolution as "an environment of skill and panache." Those are the qualities that the organisers of this exhibition imply should be brought to the problem of the redundant Pennine mills. Cheap old buildings have proved invaluable in harbouring and nurturing the small business in cities—the potential large business of the future. In Jane Jacobs' words, "Old ideas can sometimes use new buildings. New ideas must use old buildings." As symbols of new life the mills must lose their often grim connotations of the past; they suggest a more optimistic future.



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Elizabeth Hall

Guarneri Quartet by MAX LOPPERT

Reports suggest that this month's series of concerts given under the umbrella title of Ministry Star has been put together more as a promoter's gimmick than as a serious, genuinely informative musical event, and that the concert fare has been adventurously rather than purposefully Slav. But whatever else deserves to be remembered from the series (part, that is, from the ludicrously pretentious and unhelpful programme note that has done duty for all nine concerts on such occasions), the programme of the final recital must be counted a meaningful exemplar of the title, and therefore a definite success.

It was wonderful to have two of the most remarkable string quartets by Czech composers, Dvorak's Op. 106, in G, and Smetana's First, in E minor, on the same bill. Light was shed on the common ground (as well as the striking differences) between the two—the curious, careful lyricism, the fertility of the supportive figuration, the dance-like rhythms always ready to burst through, the frank way in which boldly affirmative or negatively

emotional statements are made. If one came away from the concert struck by a powerful intuition (difficult to define, or to put into certain formulated expression) of what makes Slavonic music, or at least the Bohemian branch of it, special, that it what a musical series is for.

The quartet was the Guarneri. I had not heard the Group live before, but only on some of their many records, from which I learned of their exceptional smoothness, steadiness, and homogeneity of style, tone, and ensemble. All these virtues were on show last night, except for those passing moments in the Dvorak, second work of the evening, when the leader, Arnold Steinhardt, assumed a trenchant, at times slightly grating tone in *allegretto* that temporarily disturbed the flow of roundly well-matched string sonority. The Smetana quartet, on the other hand, benefited after the interval from the most secure playing of the evening—the clear, unfussy viola line that sang out of the opening, carefully matched to its accompaniment, and the even way in which solos were calibrated in the third-movement

Largo sostenuto were just two examples of uncommonly disciplined chamber-music-making.

These terms of praise may suggest the want of strong enthusiasm I felt for the Guarneri's playing, on other than technical grounds. Both works demand a spirit of passionate and spontaneous effusion, as expressed in a natural-sounding employment of rubato, a singing warmth to the combination of timbres, an emotional openness, that was not to be had in these performances. Smoothness and steadiness at first moderated, and finally somewhat impeded, the communication of musical frankness. The first work on the programme, billed as Mozart's C major Quartet, K157, was changed without explanation into Haydn's Op. 76, No. 6, in E flat (which the Guarneri gave in Monday's concert broadcast from St. John's, Smith Square). What an evening it might have been if one of the two Janacek quartets had been supplied in Mozart's place. But then, it is not to be expected that every string quartet will have Janacek ready and waiting up its sleeve.

Festival Hall

Elgar Festival

The Philharmonia's Elgar Festival began on Tuesday with three of the best-known large pieces conducted by Andrew Davis (he will appear as pianist in the fifth and final concert). Though the figure he cuts is scarcely Elgarian—there is much elfin gyrating, and during the Boar's Head episode in *Falstaff* we were treated to a whole disco routine—Davis is certainly an Elgar conductor to be reckoned with. Limpid performances of the Introduction and Allegro, like the one which began the evening, are not so rare; but *Falstaff* emerged transparent and gleaming, affording no basis for complaints about excess baggage. Davis took a long, purposeful view of the work, and it revealed an unexpected conviction—though he gave every theatrical image in the music full value (materially assisted by a witty first bassoon).

Here and in the Violin Concerto, the full-blooded elegance of what we heard was more than a matter of highly professional control. Davis seems to have an unerring sense of the true harmonic underpinnings of Elgar's music: what is mere superstructure and

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Thursday February 1 1979

Mr. Smith's next moves

AS EXPECTED, Mr. Ian Smith has won his constitutional referendum among white Rhodesians, although by a substantially larger margin than had been widely forecast: an 84 per cent "Yes" vote on a 71 per cent poll. To the extent that this shows an acceptance among whites of some form of majority rule (albeit Mr. Smith's watered-down version) it is a step in the right psychological direction.

That, regrettably, is about all that can be said in favour of the referendum, since the constitution solves none of Rhodesia's most critical problems and is a wholly inadequate concession to the principle of one man, one vote. As so often during the past 13 years since UDI, the referendum shows the whites of Rhodesia conceding too little, too late.

Diluted

The "internal" settlement constitution, upon which whites have just given their verdict, provides for a diluted form of majority rule. It does concede the principle of universal adult suffrage, yet 28 per cent of seats in a new house of assembly will remain reserved for whites, who may block constitutional amendments. Furthermore, under modifications to the "internal" agreement, whites will be able to hold 28 per cent of Cabinet seats in a "Government of National Unity," even though they comprise only 3 per cent of the population.

On top of all this, there are new suggestions in Salisbury that unless the West recognises the internal settlement, thus ensuring a smooth transfer of power, Mr. Smith may remain on as head of the Rhodesian Front party and could even be a member of the new Cabinet. This would surely undermine the credibility of the new Government.

The referendum result will doubtless encourage Mr. Smith and his black partners in the internal settlement to press ahead with their plans for elections on April 20, in the hope

that these can be sold to the West as proof that the majority of black Rhodesians support the settlement. Clearly, if the Rhodesians could produce a turnout similar to that in the referendum, the British and U.S. Governments would come under pressure to recognise the Salisbury administration. But it would be much harder to achieve such a high percentage poll among the scattered black population in a time of war. Furthermore, whatever the percentage poll, it would be extremely difficult for the Rhodesians to demonstrate that the elections had been carried out freely and fairly. Some 35 per cent of the country is under martial law, press censorship is in force, and the intimidation by Patriotic Front forces is matched by that of the private armies loyal to Bishop Muzorewa and Rev. Sithole. Under these circumstances, it is impossible to have confidence in any election result.

The likelihood is that the post-April Government in Salisbury would remain unrecognised, even though there could be then be a Conservative Government in power in Britain more sympathetic to the "internal" agreement.

Emigration

With both the guerrilla war and white emigration escalating, the Salisbury Government might eventually be forced to come back to the conference table. But by then, the Patriotic Front guerrillas, scenting victory, would be in even less mood for compromise than they are now. Increasingly, therefore, the chances are that the Rhodesia conflict will end on the battlefield, in a multi-cornered civil war.

White Rhodesians may feel that in the referendum they have offered a major concession to the blacks in order to save their country. But, perversely, the vote reduces still further any chance of all-party talks and thus heightens the risk of civil war.

Miners' pay and efficiency

THIS YEAR'S pay negotiations with the miners are taking place at a time when the industry's financial position is undergoing very considerable strain. The recession in demand for coking coal for steel making has gone deeper and is lasting longer than expected, while the use of coal in power stations has been checked by the slow growth in electricity demand and coal's declining price competitiveness with oil. Output has fallen but not as fast as sales. The cost of holding coal in stock together with other cost increases has impaired the Coal Board's ability to finance even a modest proportion of its £500m a year investment programme from internal resources, thus necessitating substantial borrowings and a growing burden of interest charges.

Last week the Coal Board indicated that the operating loss on deep-mined production could be as large as £460m in 1979-80, before taking account of the price increase the board is hoping to make this spring and before allowing for Government grants, which this year were raised to a total of £124m to help underwrite the cost of coal stocks and increased coal-burning by power stations.

Ceiling

With its room for manoeuvre so limited, the Coal Board's initial response to the National Union of Mineworkers' claim for increases of up to 40 per cent, which would add about £400m a year to the industry's costs, has been to suggest a ceiling of 550m. Moderates in the union believe that there is no mood in the coalfields for a fight over pay this year with a Labour Government so close to a General Election. But some package based upon an offer of more than the Government's 5 per cent figure would be needed if a major confrontation is to be avoided.

Among the ingredients of such a package which have been suggested are a shorter working week, which the board is thought to be unlikely to

accept; improvements in the various allowances miners receive such as payment for waiting time, which do not exist in other industries; and a re-negotiation of the incentive schemes introduced during the past year which, according to the board, have added an average of 18 per cent to the 10 per cent increase permitted by the Phase Three pay guidelines.

A further possibility which has been mentioned would be to return to their traditional November pay anniversary by offering them a 20-month settlement. This would provide scope for a larger immediate increase, albeit at the cost of returning to the position which obtained before the Wilberforce settlement five years ago where the issue of miners' pay came up at the beginning of each winter rather than at the end.

Faith

None of these courses could avoid adding to the board's financial difficulties—not even, given the present weak state of coal demand, an improved productivity scheme. Up to now the board's ambitious investment programme has not been called into question. It was recognised that if the industry's capacity was to be maintained, let alone increased, money had to be spent, regardless of short-term market fluctuations, on sinking new pits and developing profitable ones in order to replace those nearing the end of their working lives.

The most of what, at least in part, is an act of faith in coal's future prospects can in the meantime be heavy. It might be rather less onerous were the Coal Board to advance the closure of pits which are incurring the heaviest losses and are nearest the end of their useful lives. Pit closures raise socially sensitive issues and miners' attitudes to the question have hardened. But the Government's hard line on increasing subsidies to the industry suggests that the pressure on the NCB to improve efficiency will be intensified.

The City's helping hand for BL dealer finance

By RICHARD LAMBERT, Financial Editor

THE RELATIONSHIP between BL, the former British Leyland, and its network of distributors across Britain is about to change fundamentally. Yesterday's launch of a major new company, Wholesale Vehicle Finance, has wide financial implications for both the car manufacturer and its distributors. It also brings an important new link between the National Enterprise Board and the City, and shows how big pension funds can play new roles.

Wholesale Vehicle Finance (WVF) starts life with as much as £100m of capital employed. This is made up of £12.5m of shareholders' funds, an overdraft facility of £35m, and an acceptance credit facility of £84m which has been provided by a group of City banks. The NEB owns 77.5 per cent of the shares, and the rest of the equity has been put up equally by United Dominions Trust, the Post Office pension fund, and the National Coal Board pension fund.

The job of the new company will be to take upon itself the current financing commitments presently borne by 700 Leyland cars and light van distributors around Britain. In so doing, it will release nearly £70m of distributors' funds which are currently tied up on the showroom floor. It will also increase BL's cash balances by £30m or more.

Leyland distributors hitherto have had to make a fixed deposit with BL Cars to finance part of their showroom stocks, which are supplied by the manufacturer on a sale or return basis. The amount of the deposit has usually been fixed as a proportion of each distributor's sales over the previous year—somewhere between 10 and 12 per cent. This system has been coming under increasing attack from distributors and dealers in recent years.

Their first worry was about security. Substantial sums of their money were involved in BL's last balance-sheet included £84m of distributors' deposits—and the trouble was that their security—the cars—tended to run out when they felt most in need of it. Whenever a big strike brought BL to its knees there was the threat that the value of the distributors' car stocks would fall below the level of their deposits with the manufacturer. And that made some of them very vulnerable to a calamity at BL.

BL's so-called bulk deposit scheme had a number of other drawbacks for dealers. As inflation blew up the value of their stocks, so the corresponding rise in the required deposit put an ever-rising strain on their borrowing capacity. Banks were not keen to commit themselves too heavily to such long-term lending, and the finance houses would only oblige at a price—a slice of the distributors' juicy retail credit business. Every time the wholesale price went up, the distributor was called on to top up his deposit with

BL, and his borrowings rose further. For BL, too, this method of financing has become increasingly unsatisfactory. The amount of deposits in its hands has been falling behind the wholesale prices set out on sale or return to the distributor by many millions of pounds. Time lags took a big toll of the figures in a period of inflation, and distributors had no reason to rush their payments. The new arrangements will avoid this problem, and as a result deposits with BL will rise to nearly £100m.

The dealers started to press for change back in the early days of the Ryder plan. About the same time, the City merchant bank N. M. Rothschild upon its own initiative, put up various ideas about how finished stock might be financed. Nothing happened until the summer of 1977, when Leyland started its own thinking on the subject. Rothschild tried again, and this time caught the attention of BL and the NEB. Yesterday's announcement is the outcome of extensive discussions over the past 12 months or so with a wide range of finance houses and distributors. It represents a coup for the merchant bank which invested considerable effort in the project on a speculative basis, and is now getting the pay off.

Operating limit

The new scheme works as follows. As a car leaves Leyland's factory, BL will make deposits on its behalf in excess of that limit. In addition, WVF will independently assess each distributor's credit and set him an operating limit—which may be less than the stock limit. The distributor will pay WVF a "display charge" in respect of the deposits which it makes with BL on his behalf. This will be worked out on a weekly basis, and will be designed to give WVF a gross margin of 14 per cent a year over its average borrowing costs. In effect what this means is that instead of borrowing money to invest in stock, the distributor will simply be borrowing stock. The stock financing loans on his balance-sheet will disappear, and be replaced by a contingent liability in the footnotes relating to the stock.

This should have a more than cosmetic effect. Henrys, for instance, is a major Leyland distributor with £8m or more in retail deposits. In turn, it holds deposits from the retail dealers which it supplies, which



The Henrys showrooms at Berkeley Square, London. Some £3.5m-£4m of deposits made by this distributor may be freed by the new system of dealer finance.

reduce its net investment in deposits to about £3.5m or £4m. That money will now be released.

It would be wrong to assume that its financial leeway will automatically be increased by the full amount, since bankers have to take note of contingent liabilities. But leading distributors seem confident that their banks will allow them to make use of a high proportion of the funds which have been freed in this way.

There are a number of other important advantages in the new scheme. There are no strings attached to WVF's service, which leaves the distributor free to offer his consumer credit business to whichever finance house offers him the best terms.

The cost of financing stock in the showroom should be reduced by the fact that a wide spread of different credit risks are being channelled through a single borrower, WVF. The scheme has been designed to allow any distributor who can get funds on finer terms than WVF to take advantage of his high credit standing. And although a bad credit risk is not going to be able to get stock on unreasonably cheap terms—since WVF will set him a low operating limit—he can still attempt to persuade BL Cars itself to cover his stock needs.

In addition, distributors will be free to take stock on to their balance sheet whenever they choose. So they will still be able to benefit from stock relief for corporation tax purposes. That seems to add up to an overwhelming case for the new system. Yet the fact is that although virtually all British manufacturers and importers now operate some form of unit-by-unit stock finance scheme there is one glaring exception. After a prolonged

period of discussions with its dealers, Ford has decided to stick firmly to the bulk deposit system.

The great advantage of its scheme, Ford says, is that because the deposit relates to annual sales it smooths out the peaks and troughs of the distributors' funding requirements. This helps the manufacturer, too, since it helps him to keep up a steady production schedule throughout the year despite seasonal rises and falls of retail sales.

This should also be possible under the new BL scheme, since BL can top up the stock pipeline at its own expense if it wants to. But the big Ford dealers claim that their system is much more sophisticated than the one that BL is now abandoning. And they say that Ford's great strength in fleet sales is a major plus point, since these sales are excluded from the dealer calculations. In other words, the greater the distributor's fleet sales, the lower is his deposit in proportion to his total business.

BL's past tax losses

In theory, WVF's 14 per cent margin on its £100m of stock finance should only be reduced by a few hundred thousand pounds to cover overheads and possible bad debt provisions. Add to that, say, £1.5m to allow for the fact that £12.5m of its funds are financed by shareholders, and the pre-tax return on total equity could come to between 18 and 20 per cent. And there is at least a chance that the new company will be able to get its hands on some of BL's vast allowance for past tax losses.

Why, then, did Rothschild not come up with a wholly private sector solution? Its thinking has been strongly influenced by precedents in the U.S., where General Motors Acceptance Corporation and Ford Motor Credit are both run quite separately from the manufacturing companies, linked to them only by a central holding company. In this case, the NEB is the holding company, standing behind the vital contractual guarantees between BL Cars

MEN AND MATTERS

For Malta to remember us by

The farewell that will bring a nostalgic tear to many a retired admiral's eye takes place next month. The British services will quit Malta completely and for good. Already the flag officer, Admiral Oswald Cecil, has handed over his official residence to the Maltese and is putting up in an hotel.

It cannot be pretended that Premier Dom Mintoff is making it a cheery send-off. Imports of British cars and TV sets are blocked by Valletta's dockworkers, the British Consulate offices are firmly shut, and a reprisal for our support for EEC restrictions on textile imports from Malta.

Mintoff is also annoyed that Fleet Street newspapers have declined to run, free of charge, an advertisement by him stating divers complaints. It is somewhat hard for British journalists to investigate the pros and cons: along with the cars and TV sets, they are also banned from the "George Cross island."

Politely trying to restore the balance, High Commissioner Norman Aspin has put out a list of assets Britain will be leaving behind, free of charge and in full working order. These include the facilities at Luqa airport needed to maintain it to international aviation standards; the Royal Naval hospital; schools, clinics and a vast refrigeration service.

Just for good measure, we are handing over the keys of an 18 megawatt power station, a fuel storage depot, and 50 miles of pipelines.

All awkward items to take away, of course. But our willingness to turn the other cheek contrasts with the French way of showing displeasure when leaving Guinea on frosty terms in 1960. Even the light bulbs were removed from the government offices.



Words from Wagner

Britain's trade balance has suffered at the hands of John Wagner for some years. First he was managing director of Grundig (GB), selling West German hi-fi equipment; then he became managing director of Volvo Concessionaires, distributing Swedish cars; next managing director of Audi-NSU, selling German cars; and finally he ran his family company, which distributes Hasselblad Swedish cameras.

Now, at the age of 46, he is back in the car business, newly chosen by BMW to be managing director of their own British importing company from January next year, when an existing contract runs out.

There is a very different side to Wagner. As a Sunday school teacher he hit on the idea of presenting Bible tales in the form of 15-minute news stories on cassette recordings. With the help of scholars and historians he put together scripts; BBC and CBS newscasters provided the voices.

Today the cassettes, distributed by Wagner's own company, Bible News Limited, are accepted by the Church of England, Roman Catholics, Greek Orthodox, the Southern Baptist and the Charismatic churches of California. The Mormons have just designated them as "officially recommended."

But, however successful Wagner becomes with Bible News Limited, he will not look for profit. "It's just a hobby," he says.

Place for Pugh

The surprise appointment of Sir Idwal Pugh as chairman of the troubled Hodge Group was largely the initiative of Lord Barber, chairman of Standard and Chartered.

Hodge is a wholly-owned subsidiary of Standard Chartered, which was anxious to retain strong Welsh connections in the new appointment. Sir Idwal, with his lifting tones, will certainly supply that: when the appointment was announced yesterday afternoon he was driving down from Wales to his London flat in Dolphin Square.

Pugh will devote several days each week to the affairs of Hodge in Cardiff. His is not a banking name, by any means. But as Ombudsman he showed that behind his slim, modest exterior is a relentless determination to see wrongs put right. It should serve him well at Hodge.

As we were

Leaving through a words-and-pictures history being released today by Selincourt, the fashion and textile firm, to mark its 60 years as a quoted company, I hit upon something topical. It is a message put out to all employees by the managing director in 1917:

"In normal times a business should not concern itself with politics, but the present situation is so critical for all of us

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Handwritten text in Arabic script: *مكتبة ابن الجوزي*

ECONOMIC VIEWPOINT

Union reform: the two alternatives

THE PROPOSAL in Economic Viewpoint last week for a Royal Commission on the economic effects of union power has produced a gratifying number of questions from readers and, inevitably, a certain amount of misunderstanding as well.

The Commission was, of course, not intended as an excuse for avoiding action. If delivery men have been told that "they will never drive again" if they cross picket lines, if policemen have ever said that pickets with crowbars can be removed only if they actually use these weapons, then immediate corrective action is required. It is needed quite irrespective of whether the pickets are secondary or not; and I leave it to the lawyers to decide whether this can best be done by enforcing the existing law or by changing it. Nor, on a different plane of discussion, does it require a Royal Commission to say that the tax position—both the effective rates and the speed of rebate when out of work—should be at least no better for workers than for other employees. Nor do we need "wise men" to tell the Government of its duty to keep essential services, such as hospitals, in operation even while wage disputes are in progress.

But beyond this there are many unresolved questions. Let us suppose that we had the most perfect labour law imaginable from a purely industrial relations point of view, what then would be the effects of collective bargaining based on the strike threat? Mr. Denis Healey made a perfectly valid point in Parliament last week when he cited the number of strikes in favour of large wage claims which had been supported by bona fide secret ballots.

Let us suppose moreover that collective agreements were both

legally enforceable and observed. There would still be nothing to ensure that the wage claims and settlements for the new contracts were any more "moderate" than at present. Similar remarks apply to other fashionable favourites such as two-year contracts or a synchronised wage bargaining system for the economy as a whole.

Donovan

The Donovan Commission of 1965, which was mentioned by some MPs who kindly commented on my suggestion, was not primarily concerned with more far-ranging economic effects of the collective bargaining system of the kind which Mr. Callaghan raises every other day at Question Time.

The point of a Royal Commission is that it would contain members aware of the theoretical issues but under the tight chairmanship they could be driven to formulate and answer real world questions. An advantage of involving trade unionists in the work of a primarily analytical inquiry is that they would at least see why many economists of all political persuasions believe (and others deny) that there is a "union problem," which is not merely an expression of political prejudice.

One popular but only half-correct formulation of the Commission's remit might run as follows: "Inflation could not carry on for long if the funds to finance it were not supplied. But simply holding back on the money supply, and doing nothing else, would leave us with an intolerable amount of unemployment." What is wrong with this formulation is that the unemployment in question cannot ultimately be prevented by pumping more money into the

system. If anything, this route leads to worse unemployment still. The true problem can thus be reformulated as follows: "Does the exercise of union power raise the long-run sustainable rate of unemployment? If not, what else has done so in recent years? And if the union bargaining system has contributed to higher unemployment, which aspects are responsible for this result?" Such questions would open up many other fascinating problems, including restrictive practices.

A great deal hangs on the answers. For there are two contrasting approaches to wages—and indeed to economic management generally—which cut across normal party and other lines. Does one want more centralisation or more local bargaining? The first road leads to attempts to increase the power of union leaders over shop stewards and of shop stewards over members. It leads to parallel attempts on the employers' side. The ultimate aim is a forum, for instance in the National Economic Development Council, where centralised bargaining would take place about the desirable "going rate" of wage increases and about criteria for exceptions and special cases.

These ideas go by various names, such as "concerted action" or an "educational" or "voluntary incomes policy." The contrasting approach is to move right away from nation-wide bargaining under the television eye lights to local settlements which take into account a great amount of information and pressures simply not known at the centre.

A good example of the centralising approach is the pamphlet A Better Way, just published by a group of moderate union

leaders. The goodwill and sincerity of the authors shine through; and the document contains many valuable specific ideas. One example of particular appeal is that of "giving employees a share in industry's capital growth not necessarily in the industry in which they work."

On the central issue of a national wage figure, the Better Way authors offer a major improvement on similar proposals by the CBI and in some Conservative documents. For they

the most imperfect collective bargaining under monetary guidelines?

The overwhelming snag about A Better Way is that the authors have not solved the insoluble problem of what "just differentials" would really look like if we saw them. It is this underlying weakness which has brought down every attempt at a long term incomes policy ever tried in this or any other major industrial country. Given that the basic question is unanswerable is it better to

one has only to drive over the border to see what the market-determined ratios actually are.

(Moreover the Austrians have a genius for turning a blind eye to certain matters, which enables them to survive worse things than imperfect economic policies. I remember asking a well-heeled Viennese lady who was complaining about the Social Democrat Government whether there was a tax on inherited wealth. "Effectively no," came the reply. "But please keep quiet. Androsch, the

decentralised approach is the public sector. Difficult but not hopeless. The public corporations can be treated as part of the market sector, subject only to financial disciplines. Local authorities could be given more autonomy and more fiscal responsibility.

Even in the case of centrally run public services managers could be given genuine cash budgets, which would not be dependent on a pay norm, but which they could allocate between manpower and other expenditure. They would also be able to use these budgets to discuss with the unions the trade off between wages and numbers employed. This will not happen overnight, and many have a vested interest in obstructing such moves. But it is a more promising route for Britain than the Whitehall round table, which however idealistic the original motives, serves in practice to canalise envy, petulance, hypocrisy, narrow-mindedness and every other national vice.

Indeed, I would not be at all surprised if a second Royal Commission came to the conclusion that the main adverse effect of union power on unemployment, economic stability and indirectly—inflation—arises from unions' political influence on government policies, rather than through their direct impact at workplace level.

In the meanwhile it would improve the temperature if those who discussed these matters in Whitehall, the City and similar places, would refrain from suggesting that the only opposition to incomes policy comes from political extremists or Right or Left, and try to understand that what is so obvious to them is far from obvious to others.

These developments are not all blissful. They remind one partially of the self-sufficient and self-contained estates known as latifundia to which the Roman aristocracy withdrew at the end of the Empire to isolate themselves from the crumbling political structure around them. But there is also the chance of a genuine small scale social market economy, in which new forms such as workers' co-ops, which abolish the wage relation altogether, can be established in an evolutionary rather than revolutionary way.

Decentralisation in wage matters has acquired a bad name because of the proliferation of rival and overlapping unions covering a given workforce. But a reform of union structure and nationwide wage bargaining are two different things. Indeed the ideal of our group of wage negotiators for a whole labour force may be easier to achieve on an ad hoc local level than as part of a nationwide CBI-TUC-Government deal.

The biggest difficulty about a

Samuel Brittan

In the UK... the most promising approach to union power is the decentralised one. . . . More managements are quietly moving to a smaller scale of operation with all that this might eventually imply for labour relations?

realise that it is impossible to negotiate in advance about an average, and recognise that the so-called norm would be the minimum to which everyone would consider himself entitled. But as soon as one thinks of a figure, the difficulties become obvious.

It would hardly be possible to have a minimum entitlement under normal conditions of less than the going rate of inflation, at the moment at least 8-10 per cent. On top of this would come the many above-the-norm cases, such as the low paid at one end, and skilled workers wanting to restore differentials at the other. Then there would be normal wage drift, not to speak of breakdown cases. It is at all obvious that the result would be a lower rise in money earnings or less unemployment than

have it shouted from the house-tops between leaders of contending groups? Or is it better to leave it to be settled practically by hosts of individual deals which take into account social as well as market pressures, but in a rough, ready and unpublished way.

At this point somebody is bound to mention the apparent success of the "social co-partnerships" in Austria. Italy and Austria happen to be the two European countries which I most enjoy visiting, so any prejudices I have are favourable. But it is obvious, even from the carriage windows of the Trans-European Express that Austria is part of a much wider economic grouping based on Germany. There is no need to argue about the just relativity between say a plumber and a fitter when

Finance Minister, is standing a few yards away.")

In the UK, I have no doubt that the most promising approach to union market power is the decentralised one. Nor is this just a pipe dream. While endless discussions go on in Congress House, Tothill Street, and Whitehall about new national pay machinery, more and more managements are quietly moving to a smaller scale of operation, with all that this might eventually imply for labour relations.

An informal survey by the British Institute of Management among 40 major manufacturing concerns suggests this is happening. Indeed, it would now contemplate putting in a plant employing more than 1,000

Trade in textiles

From the Managing Director, Joseph Steinfeld and Co.

Sir—I write to draw attention to a small paragraph in the issue of January 29 which indicated that South Korea, by 1980, expected to bring its textile exports up to an annual figure of \$10bn, making it the world's leading exporter.

Last April the International Labour Organisation forecast that changes in international trade could make 1.8m west European textile workers redundant by 1985, and further increases in third world capacity, such as those described, could only worsen what is already a very worrying situation.

It would be idle to ignore a threat of this nature. Production of this magnitude could only be planned with either the American or European markets in view since the developing countries are, again as stated by the ILO, increasingly capable of using their own man-made and natural fibre production to not only satisfy their home markets, but, again, to look for exports.

Surely our paramount responsibility is to keep our own workers in employment and this can only be done by making it crystal clear to countries like South Korea that their textile exports to the Community will be rigorously controlled.

S. Mandelbaum, Joseph Steinfeld and Co., 92B, High Road, Finchley, N12.

A consensus of opinion

From Lord Trencard Sir—Mr. Mellorick (January 27) writes in relation to my letter of January 17 in which I hoped for a consensus of the public and even of politicians. How do we obtain the consensus of the public etc. Consensus of course, refers to the need for reform of our trade union system.

Mrs. Thatcher in the House of Commons on January 16 said to the Prime Minister, " . . . if he will take steps to deal with the situation of trade union power and consider new laws and new practices against picketing, of alleviating the effect of the closed shop and of trying to achieve more secret ballots so that people do not go on strike before they have been consulted about a matter which affects their whole livelihood—if he will agree to take action on these issues, we will support him through and through." Mr. Steel also supported the idea of political consensus on reforms.

Both the Conservative and Liberal parties and the majority of individual Labour speakers in the House of Lords made similar suggestions in the emergency debate on January 25. Neither the Prime Minister nor his spokesmen in either House have responded. They continue to maintain either that reform would not work in Britain, or will exacerbate the situation. They appear to wish to continue simply to appeal for the co-operation of the trade unions, and to try to appease them with more price control, etc. They appear to wish that Britain should remain unique, in the degree of compulsion to join and remain a member of the trade union, in the lack of

Letters to the Editor

dependability of agreements and preceding agreements in the event of sympathy strikes and picketing. The matter of financing of strikes through tax rebates and supplementary benefits, and the facility for strikes against the national interests in key industries.

Some countries believe in standing systems of arbitration at the end of disputes procedures. Mr. Mellorick's suggestion of a revolving board has merit in relation to key industries and key professions such as doctors and nurses, but I believe that the market system must be relied upon to establish the disciplines which he is worried. It has done so in other countries.

Public consensus for reform can only be shown in the election against a background of what the parties propose. Political consensus acting on the obvious public opinion confirmed by opinion surveys could get under way before the Election, but evidently only if the trade unions will allow the Labour Party to act. Those of us who thought the Labour Party most likely to be able to deal with the situation were clearly tragically wrong.

It would be nice to see more demonstrations against picketing, etc. such as Mr. Mellorick suggests, but with the closed shop and name-taking it is clearly difficult until reforms bring a limit to excess power. Lord Trencard, Abbadie House, North Nymms, Hatfield, Hertfordshire.

Going into industry

From the Managing Director, Business Development Consultants (International) Sir—Confessing Owen's article (January 23) on the inadequacy of British industrial management gives as one argument to account for it the inability, for social reasons, of industry to attract the country's ablest people. This would appear to be one of the main roots of industry's problems.

There is at present a dire shortage of really able managers in the age bracket late thirties to mid-forties for senior production, industrial engineering and R and D positions. Often the candidates short-listed for such positions are either in their mid-thirties or in their fifties. It is much harder to find managers of top calibre who are now in their forties.

Government statistics show that 21 per cent of graduates went into industry in the mid-1960s compared with 14 per cent in the mid-1970s. Those going into industry in the mid-1960s represent the bulge of talent now in their mid-thirties. They were probably attracted into industry by the increase in interest in technology caused by the start of the computer euphoria and reflected in the formation of a Ministry of Technology. The bulge of talent now in their fifties represents those who went into industry shortly after the war when industry was still respectable.

The early 1950s to the early 1960s was a period when socially conscious graduates steered clear of industry with its cloth cap image. With a reduction by a third in the proportion of graduates going into industry between the mid-1960s and the mid-1970s, potential managers now in their twenties can also be expected to be in short supply. If this is so it will only further aggravate

Industry's problems over the next few years

It is imperative that industry goes all out to recruit managers of the future from schools and universities. High rewards for exceptional performance and the excitement of technology are necessary ingredients for such a campaign. Trevor Hart Dyke, Business Development Consultants (International), 26, Dorset Street, W1.

The Banking Bill

From the Managing Director, Noel Alexander Associates Sir—It seems important at this time to give support to Mr. J. Skelton, whose words you reported on January 26, regarding discrimination against UK financial institutions in the Banking Bill: they certainly seem to be justified.

It appears from reading the Banking Bill that serious loopholes exist in connection with foreign institutions registered in say Luxembourg, Cayman or similar havens. These places, we know, have some carefully designed banking laws which I would, however, suggest are not specifically aimed to cope with branch banking networks in larger countries. What, for instance, is to stop an institution registering in one of these centres as a bank (and using this word there quite legitimately in describing itself), then opening a branch in this country, to be followed by a network of branches regardless of whether it is fully recognised here as a bank?

This is not only unfair to respectable run British financial institutions, who are denied the use of the word "bank" but also to recognised UK banks, who have to submit themselves to exacting regulations so they may operate as banks. In addition the public in this country can still be left unaware of the different characteristics of the institutions concerned.

It may be that the new supervisory procedures being introduced in the UK will carefully sort out the wheat from the chaff, but there are some organisations already established here which may fall into the latter category; do we assume that they will be asked to take on the word "bank" from their description, if it is considered that their techniques of management are contrary to the best interests of banking in this country. N. A. de Berry, 70, Queen Victoria Street, ECA.

The plight of the thrifty

From the Director, Ucp the Aged. Sir—Anthony Gibbs Financial Services (January 29, page 4) has done us a great service in pointing out the plight of the thrifty especially at a time when we see powerful unions using their muscle to gain large wage demands. We receive despairing letters from people who have worked and saved hard all their lives and have looked forward to security in retirement only to face rising prices and falling incomes unless they are fortunate enough to have index-linked public service pensions.

We would challenge the Government to devise a system to protect this section of the community, either through further

tax concessions or by some other means. The Government, MPs and civil servants who make our laws are protected in retirement against the ravages of inflation by index-linked pensions. Unless they can find some formula by which retired people living on investments, or private occupational pensions, are protected against inflation, then they should forego these protected pensions.

It has been pointed out to us that if two people, one a public servant and the other a managing director of a small company, had both retired on pensions of £3,000 in 1973, the public servant would now be receiving £7,000 while the company director would still be receiving £3,000 with perhaps a little tooting up by his company. A person who has provided for himself by investment would not even have the tooting up.

When the Prime Minister and the Government have settled their differences with the unions, I feel they must immediately turn their attention to this problem, or they, and the civil servants, must be morally bound to forego the index-linking of their pensions. Hugh Faulkner, 32, Dorset Street, W1.

Sri Lanka tea industry

From the High Commissioner for Sri Lanka.

Sir—I refer to the article concerning the Sri Lanka tea industry, by Mr. Kevin Rafferty, appearing on Page 37 on January 23. I do not seek to take issue with that article, but there are aspects of this matter which I believe warrant mention for the better understanding of your readers.

The Government is already taking the following steps to meet an anticipated labour shortage due to repatriation of Indian labour. Mid-country tea workers are being given incentives to move to up-country areas where labour may be short in the future; there is an accelerated programme of cottage-building to make estate housing more attractive; estates are being encouraged to provide for labour on a commuter basis, and enhanced wage rates for estate workers are providing inducement to villagers.

Production overall in 1978 was less than in 1977, but all buying sources have commented on an improvement in quality. The best London auction prices in recent weeks have been for Sri Lanka BOPB. The fall in production has not been due to a labour shortage but because of climatic factors; eg, low-country production (where weather did not interfere) actually exceeded 1977 levels by 3m Kcs. Also, south Indian production in the Nilgiris in 1978 was lower due to the same climatic factors which prevailed for up-country Sri Lanka tea.

Finally, repatriation of Indian labour is in fact slowing down because of attractive wage rates in Sri Lanka. And, the problems of interesting Indian estate labour with the indigenous population have been greatly eased by the collaboration between the former's largest trade union, the CWC, and the Government, with the CWC leader becoming a Cabinet Minister. N. Wimalaseena, Sri Lanka (Ceylon) High Commission, 13, Hyde Park Gardens, W2.

Today's Events

GENERAL UK—National Union of Mine-workers executive meet, followed by pay talks with National Coal Board.

TUC employment, policy and organisation committee meets Ministers to discuss strikes, picketing and the closed shop.

NCB raises price of Phosphate to coal merchants by £3 a tonne. Marine safety regulations come into effect requiring better and safer fares.

Sir Kenneth Cork, Lord Mayor of London, lunches with chairman of Guinness Peat Group; dines with Skinnerns Company.

Overseas—Ayatollah Khomeini expected to arrive in Tehran. Mr. Deng Xiaoping, Chinese Vice Premier, visits Atlanta, Georgia.

Council of Europe, meeting in Strasbourg, debates Mediterranean affairs; Herr Willbrandt, Pahr, Austria's Foreign Minister, addresses Council.

President Tito of Yugoslavia begins two-week tour of Kuwait, Iraq, Syria and Jordan, to discuss financial aid.

Dr. David Owen, Foreign Minister, flies to Washington to represent UK at Mr. Nelson Rockefeller's memorial service; will meet Mr. Cyrus Vance, U.S. Secretary of State.

Wearing car seat belts becomes compulsory in Eire.

PARLIAMENTARY BUSINESS House of Commons—Motion in approval Joint Committee on the special Commission on oil sanctions.

House of Lords—Debate on the report of the Select Committee on the Foreign Boycotts Bill.

Select Committees—Nationalised Industries, subcommittee D. Subject: Consumers and the Nationalised Industries. Witnesses: National Consumer Council, 10.15 am. Expenditure, Trade and Industry

sub-committee. Subject: Domestic Air Fares. Witnesses: Sheldan Island Council; Logan Air 9.30 am. HIBD, Bridge House, Inverness.

COMPANY RESULTS Final dividends: Lonsdale Universal, Trust Houses Forte, Interim dividends: Gardard-Lilly, Interim dividends, Kinta Kellas Rubber Estates, Langton Transport (Holdings), Malaysia Rubber Company, Louis Newmark, Steinberg Group, Wholesale Fittings Company.

COMPANY MEETINGS Akroyd and Smithers, 2 Austin Friars, EC, 12.30. Brockhouse, Victoria Works, Hill Top, West Bromwich, 12. Trans-Oceanic Trust, 120, Cheapside, EC, 10.30.

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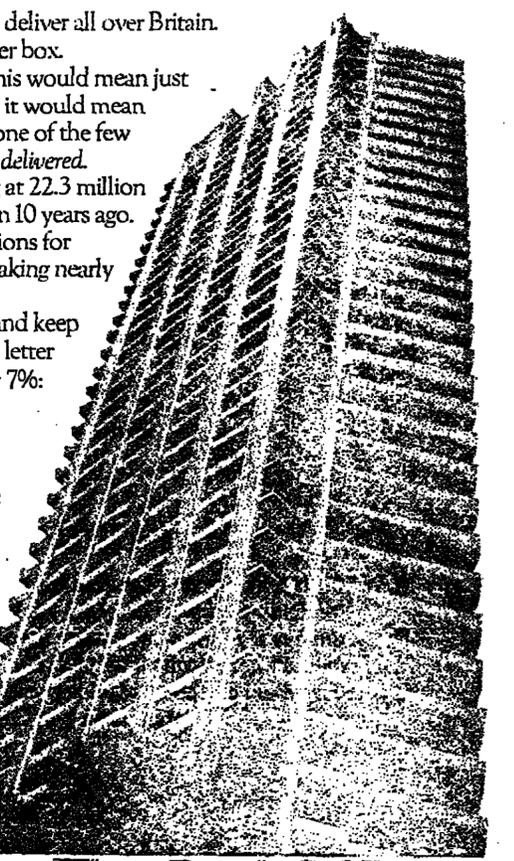
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Lonrho reaches £93.6m after static second half

FROM turnover up 19 per cent to £1.48bn, profits before tax of Lonrho increased to £93.6m in the year ended September 30, 1978, against £90.2m previously.

First half profits had risen from £39m to £42m and in November the directors said indications for the year were for profits at least as good as those achieved in 1978-77.

A large proportion of the year's turnover was derived from UK investments, the board now reports. The profit includes associates' contribution of £16.51m against £8.45m.

The associates include the investment in the House of Fraser and the Nigerian companies following the reduction of shareholding in John Holt in Nigeria from 80 per cent to 40 per cent.

Earnings per 25p share are shown as 24.33p against 27.04p. The final dividend is 4.25p net raising the total from 6.5312p to 6.55p.

Attributable profits, before extraordinary items, are down slightly at £48m.

The year's profit also includes unaudited results of £2.7m for nine months for certain overseas subsidiaries as well as a share of associates' profits totalling £4.2m.

HIGHLIGHTS

Lex includes a comment on the annual figures of Lonrho, coming just ahead of the Monopolies Commission's report on the SUITS' take-over, and assesses the position of Tower Kemsley following the loss of its BMW franchise. Northern Foods appears to be gearing-up for a series of acquisitions. Meanwhile Redland has received Treasury permission for a substantial rise in its dividend because of a Eurobond issue. Elsewhere, full-year results from paint group Blundell-Permgolaze reflect an upturn in market share, while the Prestige Group provides another year of steady profits growth. Finally Aaronson's results are roughly in line with the rights issue forecast.

McKay Securities sees £0.6m

REPORTING AN increase in pre-tax profits from £193,000 to £301,000 in the six months to September 30, 1978, the Board of McKay Securities, property investor and developer, expects results for the second half to be not less than those announced.

The net interim dividend is effectively raised from 0.26059p to 0.35p, and the Board anticipates recommending a similar amount for the final. Last year's total payment was equivalent to 0.52518p on pre-tax profits of £386,000.

Gross rents in the six-month period were up from £598,000 to £752,000. Sales of properties by overseas trading companies realised £145,000 (£238,000).

Interest and outgoings on properties in course of development take £13,000 (£5,000). Tax is payable at £149,000 (£74,000).

Aaronson ahead to £3.5m and further increase forecast

AFTER REPORTING record taxable profits for the year to September 30, 1978, the directors of Aaronson Brothers are forecasting a further profits increase for the current year.

The group raised pre-tax profits from £2.84m to £3.47m on sales up from £27.61m to £34.2m. At the halfway stage profits stood at £1.66m, against £1.57m.

The directors say the result was achieved without price increases and was due to substantially increased productivity which enabled higher costs to be absorbed with very little effect on the net profit margin, which was 10.14 per cent, against 10.28 per cent.

They add that the current year has got off to a good start, despite the recent national industrial disputes which temporarily closed two plants, and affected production at some of the other factories.

However, subject to normal trading resuming shortly, and continuing throughout the year, the directors anticipate a further profits increase for the current year.

After tax and minorities, the attributable profit is raised from £2.3m to £2.54m and stated earnings per 10p share on a fully diluted net basis are up from 10.81p to 11.41p, and on a nil basis 13.33p (11.72p).

The final dividend is hoisted from 1.36158p net to 2.5p as forecast at the time of the rights issue last year. The total is raised from 1.97158p to 3.5p. Treasury approval has been given.

The directors state that Corporation Tax payable over the next three years will be minimal due to planned capital expenditure and stock levels. Therefore the provision for deferred tax amounting to £2.23m, is no longer required and has been written back to reserves. The directors have also decided to set off the unrealised ACT of £589,000 against the deferred tax being written back, although this remains available for relief against Corporation Tax payable in future.

Included in the tax charge for this year is £490,000 ACT relating to this year. The comparative figure has been adjusted by £256,000.

	1977-78	1978-77
Sales	6000	6000
Trading profit	3,420	2,785
Profit of associated	48	44
Profit before tax	3,468	2,829
Tax	593	167
Profit after tax	2,875	2,672
Minorities	328	368
Attributable	2,547	2,304
Dividends	991	513

● **comment**
Aaronson's pre-tax profits are roughly in line with its rights

issue forecast of twice the interim figure. Net margins meanwhile, are virtually unchanged and even edged ahead by more than half a point in the second half. This is impressive given 16 months without a price increase and reflects the benefits from Aaronson's heavy capital spending now approaching £71m over the last three years. Margins, of course, touched 16.4 per cent in the golden days of 1973 but European imports have since made Aaronson's markets much more competitive. Imports are still a problem but the company has met the competition with greater efficiency and at the same time picked up valuable market share. In particular, prices have been pegged in the important DIY and furniture sectors. Acquisitions (Formica's MFC facilities and more recently Melinate) will obviously boost the current year though Aaronson is confident about sustaining the present rate of organic growth. Certainly, the full benefits of past capital outlays have yet to be felt but much will also depend on how quickly prices can realistically be raised and what happens to consumer spending in the next few months. At 66p the shares are on a P/E of 5.6 and a yield of 8.3 per cent.

Goodwill is now charged against unappropriated profits in the year of acquisition and not, as previously, carried forward as an asset.

A total of £3,182,445 has been charged against unappropriated profits, which includes £2,911,787 relating to goodwill arising in prior years.

	1978	1977
External sales	58,575,288	54,890,407
Trading profit	7,064,365	6,435,129
Short-term deposit	—	—
Income	253,115	232,654
Interest payable	487,851	416,488
Profit before tax	6,829,629	6,252,295
Taxation	3,048,880	2,786,711
Net profit	3,780,749	3,465,584
Preference dividend	25,558	32,196
Extraordinary dividend	84,000	—
Available for ord.	3,689,981	3,433,388
Dividend	1,129,439	1,011,138
Carried forward	2,560,542	2,422,250
Company tax	226,024	228,781
Transfer to capital reserve for redemption of preference shares	124	124

At the year-end fixed assets at cost less depreciation amounted to £3.3m. Expenditure on fixed assets during the year was £2.01m (£1.8m).

Current assets totalled £26.62m, of which £3.97m (£3.52m) was represented by cash and short-term deposits and loans. Stock

DIVIDENDS ANNOUNCED

	Current payment	Date	Corre- Total Total	spending for	last
			payment	div. year year	year
Aaronson	2.5	April 9	1.58	3.5	1.97
Blundell-Permgolaze	2.08	April 2	2.03	3.22	2.89
Lonrho	4.25	April 5	3.22	6.65	6.55
McKay Secs.	0.35	March 23	0.36	0.53	0.53
Prestige Group	3.74	April 6	3.53	6.24	5.88
Sommerville	0.55	April 2	0.5	—	2.75
Tanjong Tin	2.5	April 2	2.5	—	6.5

Dividends shown pence per share net except where otherwise stated.

● Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues.

Prestige up 9.6% to peak £6.85m

FOLLOWING A rise from £2.48m to £2.72m at midway, Prestige Group, the domestic houseware concern controlled by American Home Products Corporation, expanded pre-tax profits by 9.6 per cent from £5.25m to a record £5.85m for 1978. External sales gained 8.4 per cent to £59.52m.

Stated earnings before extraordinary items increased from 18.963p to 20.819p per 25p share, while a final dividend of 3.736p net lifts the total payment to the maximum permitted 6.236p (5.5845p), covered 3.3 times.

Tax took £3.06m (£2.73m) and there was an extraordinary charge of £84,000 this time, representing an addition to the £700,000 provision made in 1975 for costs resulting from the closure of the group's Belgian factory in that year.

Ordinary dividends absorb £1.13m (£1.01m), leaving retained profits higher at £2.56m against £2.42m.

In accordance with SSAP 15 deferred tax is now only provided where there is a reasonable probability that it will be required to be paid in the foreseeable future. In previous years full provision was made.

Accordingly £1,267,000 of the deferred tax provision has been transferred to unappropriated profits.

Goodwill is now charged against unappropriated profits in the year of acquisition and not, as previously, carried forward as an asset.

A total of £3,182,445 has been charged against unappropriated profits, which includes £2,911,787 relating to goodwill arising in prior years.

● **comment**
Prestige Group's 10 per cent profits rise for the year matches the average annual rate of growth over the past decade. This steady, if unspectacular, record is due to two main reasons—the company's wide range of products and markets which provides protection against setbacks in any particular area, and a large element of overseas manufacturing capacity, a factor which insulates against movements in exchange rates. However, the latest results reflect little, if any, increase in sales volume so the group has not been able to make any headway in the consumer spending boom that is likely to result from competition from cheaper imports and this could signal slower growth in the future. Meanwhile, the shares, at 174p, are on a P/E of 8.2 while the yield is 5.8 per cent compared with 7.5 and 6.9 per cent for the household goods sector—a rating which reflects the company's strong balance sheet, its record and support from the U.S. parent company.

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Slump at Massey Ferguson

Profits before tax of Massey-Ferguson Holdings plunged from £29.1m to £3.49m for the year ended October 31, 1978, on turnover up 10m to £528.35m.

After tax of £0.94m (£14.17m) and an extraordinary debit of £1.31m this time, there was a turnaround from £14.94m profit to a £1.58m loss.

The extraordinary item includes provisions in respect of a possible rationalisation of production facilities within the UK.

Stated loss per £1 share was 19.5p, compared with 186.7p earnings. No dividend is again payable.

The company is a wholly-owned subsidiary of Massey-Ferguson Ltd (Canada).

Brooke Tool confident of earnings growth

IN ACCORDANCE with its policy of expansion through internal growth and acquisition, Brooke Tool Engineering (Holdings) purchased after the year-end the ordinary shares of Strongs British Precision Tools, Sheffield-based manufacturer of specialist twist drills, reports Mr. D. M. Saunders, chairman of Brooke Tool, in his annual statement.

The purchase price was about £200,000. The type of business undertaken forms a natural extension to the existing product range of Beaver Tools, an operating company, adds Mr. Saunders.

It will therefore strengthen the group's overall position in the specialist cutting tool market.

The current year has started satisfactorily, showing a continuation of the improvements in the order book and the directors are confident that the year will be a profitable one with a number of opportunities in the UK and overseas, the group can continue to achieve further growth in earnings.

As reported on January 18, pre-tax profits for the year to September 30, 1978, were doubled at a record £324,800 on turnover 18 per cent ahead at £5.7m.

In the machine tool and fabrication division, the Bostford development programme is progressing satisfactorily. The company is also involved in updating and replacing productive plant which, together with better handling and finishing facilities, should improve cost competitiveness in the future.

Trading results at Hayes were much improved, and it is hoped to complete a move to new premises during the coming year. With the order book still high, prospects for Fred Whiteley are

Redland's \$25m issue and 50% dividend increase

Redland Group, the building materials company, has got permission for a dividend increase of 50 per cent through a \$25m bond issue with warrants attached.

The money is to be used to repay the foreign currency borrowings some of which were incurred through the take-over of the American company, Automated Building Components, manufacturer of specialised roofing components.

But Redland says the borrowing will also finance further projects outside the UK.

Redland expects the bonds to

carry a coupon of 9 1/2 per cent. The attached warrants will entitle holders to subscribe for 100 shares at a premium of probably 15 per cent above the market price at the date of the offering. They can be exercised at any time after March 15 for the next 11 years.

This is the second issue Redland has made in the Eurobond market. The first was one of DM 80,000,000 7 1/2 per cent Bearer Bonds 1968-84 issued in 1968. Redland exercised its option to redeem the outstanding balance of that issue early.

The Treasury has given permission for a dividend of 6.38p net per share for the year ending March 31 1978. This is an increase of 50 per cent over the 4.22p paid the previous year. The directors intend to pay a second interim dividend of 3.82p net prior to July 31 when the current dividend control is due to expire. This will be paid on September 24.

News of the issue came too late to affect Redland's share price yesterday. It rose 1p to 161p.

The lead manager to the issue is Baring Brothers and Co.

Blundell advances to £1.78m

RECORD PROFITS are announced by Blundell-Permgolaze Holdings for the year to October 31 1978. The group, which is a paintmaker and supplier to the building industry, turned in taxable profits up from £1.13m to £1.78m on turnover ahead from £16.95m to £18.95m. At the halfway stage pre-tax profits jumped from £274,000 to £603,000.

On prospects, Mr. N. G. Bassett Smith, chairman, says the company has been affected by the lorry drivers' strike but if there are no further major industrial disputes during the coming weeks they will soon recover the lost ground.

He adds that in that event he would expect to be able to give shareholders a confident forecast at the annual meeting.

Mr. Bassett Smith says the decorative and export divisions have been affected by the strike, particularly in Hull, although in other divisions it has not been as serious.

During the year under review, he adds, the group's volume sales were 8.2 per cent higher than a year ago and comfortably exceed the industry's performance.

Attributable profits came out at £1.09m, against £661,000 after tax, minorities and extraordinary items, and earnings per 25p share are shown up from 10.3p to 14.9p.

The final dividend is raised from 2.06p net to 2.06p, lifting the total to 3.89p to 3.22p.

Mr. Bassett Smith says the company applied to the Treasury to increase its dividend beyond 10 per cent, stressing that trading profits since 1972, the period of industrial restraint, have almost trebled. But the application was rejected.

● **comment**
Blundell-Permgolaze's performance in 1977-78 reflects a slight increase in market share plus action to cut its losses from the ill-fated Scottish expansion. Overall its sales in volume terms

are 8.2 per cent higher than the previous year while the figure for the industry over the same period is between 5 per cent and 6 per cent. The bulk of the increase came through a jump in decorative paint sales. The lighting and motor trades, which supplies paints to the knock-out by the Ford strike. Profit growth by export division also seemed to strike problems in the second half. Its share of overall trading profits was down from 19 per cent in 1976-77 to 16 per cent in the latest year. Looking at current prospects results will be affected by the transport strike but the company remains confident. The shares, at 90p have a P/E of 5.9 and a yield of 5.5 per cent.

Turnover advanced 18 per cent from £1.66m to £1.97m.

Reporting on the group's greatly improved position, Mr. Thomas Kenny, chairman, points out that there are substantial unabsorbed tax losses to be set against future profits before tax is payable.

The half-year figures include the results of Asper from the date of acquisition—August 31, 1978.

At that date, Mr. Kenny recalls, the company's net current account indebtedness to banks was £1,266,415. Taking into account the effect of the arrangements with the Midland Bank (completed in December, 1978) the indebtedness at October 31, 1978 was reduced by over £1m to £196,113.

The chairman wrote to shareholders on January 2 with details of the Midland Bank scheme. He now reports that, as planned under those arrangements, a Receiver has been appointed to the subsidiary company, Grimshaw Securities. He is Mr. Peter Mertens, a partner of Robson Rhodes, the group's auditors. Grimshaw Securities will no longer be treated as a member of the group.

AN INCREASE of 98.6 per cent in profit from £32,828 to £104,340 for the six months to October 31, 1978, is announced by Grimshaw Holdings, the industrial group.

EQUIPMENT LEASING PRIVATE AND CORPORATE

Are there Tax Advantages? Are the Returns Attractive? Come to W. R. E. Colgrave Limited's London Seminar on Friday, 8th February.

For details of the Seminar and our services call 01-499 1142 or write to 16 Davies Street, London W1V 1LJ.

GLEESON

Civil Engineering & Building Contractors

The Annual General Meeting was held on January 31st at North Cheam.

Year ended 30th June

	1977/78	1976/77
Turnover	£52m	£54m
Profit before Taxation	£743	£1,430
Taxation	380	764
Profit after Taxation	363	666

The following are extracts from Mr. J. P. Gleeson's speech.

Results. The disappointing reduction in profit has been caused by two adverse considerations: serious problems affecting motorway contracts, and the bank interest received is £3m less this year than last year. The professional revaluation of certain of the Group's properties has resulted in an increase of £2.2m in their book value.

Future Prospects. The results for the half-year ended 31st December, 1978 are unlikely to be as favourable as those for the corresponding period in the previous year, and we will make every effort to achieve a better outcome for the second half of the year. The present position of the order book remains satisfactory, but the prospects for public works contracting in the U.K. are not very encouraging at present. We must therefore increase our penetration of other markets, and to this end we are extending the Group's commercial, industrial and residential estate development programmes and are making every endeavour to obtain more work from the private sector at home. We will also continue to develop our overseas activities.

M.J. Gleeson (Contractors) Ltd.

Raeburn Investment Trust Limited

Year ended 30th November	1978	1977
Value of assets	£51,911,273	£49,758,017
Gross revenue	£2,542,216	£2,425,359
Per 25p Stock unit:—		
Net asset value	167.5p	160.1p
Earnings	4.42p	4.20p
Dividend	4.05p	3.70p

The Chairman, Mr. D. Meinertzhagen, comments:

The two markets in which Raeburn is principally invested, the United Kingdom and the United States, performed less well than any other major stock markets in the world; consequently 1978 was a disappointing year. Over the year assets rose by 4.33 per cent, compared with a rise of 6.77 per cent for the FT-100. Actuaries All-Share Index and a fall of 8.91 per cent in the Standard & Poors Composite Index.

The revenue available to the ordinary stockholders increased somewhat more slowly than last year in spite of an increase of 15.3 per cent in the dividends received from the U.K. portfolio. The overall advance was lower than this was largely due to a reduction in overseas income in sterling terms brought about by the strength of sterling against the U.S. dollar, and a rise of 47.5 per cent in the interest paid on the currency loan.

Your board considers that the present spread of the company's portfolio is satisfactory and that in particular the exposure in the United States should be maintained.

Copies of the Report and Accounts are available from the Secretaries, Lazard Brothers & Co. Limited, 21 Moatfields, London EC2P 2HT.

Mercantile House Holdings Limited
M.W. Marshall Investments Limited

29th January 1979

M. W. Marshall Investments Limited is changing its name to Mercantile House Holdings Limited as from Monday, 29th January, 1979.

The purpose is to avoid name confusion with its moneybroking subsidiary, M. W. Marshall & Company Limited, and to reflect the diversification into related financial fields that is taking place within the Group, through the Saturn Group of Companies.

Mercantile House Holdings Limited.
Mercantile House, 66 Cannon Street, London EC4N 6AE.
Telephone: 01-236 0233.

Manson Finance Trust

Interim Statement 1978

	Six months ended	Year ended
	31.10.78	31.10.77
Group Revenue	£1,256	£981
Net Profit before Tax	316	255
Less Tax based on these profits	164	133
Profit after Tax	152	174
Retained Surplus	45	67
Earnings per Share	2.1p	1.7p

The Board have declared an Interim Dividend of 1.50 pence per share net (2.28 pence gross) absorbing £106,500. The earnings per share is based on a tax charge of 62% on taxable profits

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BIDS and DEALS

Crown House emerges as Best and May suitor

THE SUITOR for Best and May, the electrical equipment stocks, turns out to be the largest shareholder, and fellow electrical specialist, Crown House, through its Lygon Securities subsidiary.

The bid, which is agreed between the two boards, is a share and cash mixture which values Best and May at 83p a share, or £1.9m, compared with a pre-suspension price of 55p a share.

Crown House is offering one of its own shares—which rose 12 to 87p after the announcement—plus 15p in cash for each Best and May share. Following resumption of dealings Best and May shares lifted to 81p matching the original offer value.

The bid price represents nearly 10 times historic earnings, but Crown House is taking these chances over the immediate profit prospects. One of the conditions of the bid is a formal profit forecast from Best and May guaranteeing that profits this year will equal the £308,000 produced last year.

Interim figures from Best and May for the period to October, revealed pre-tax profits of £174,000—a 10 per cent improvement over the comparable period.

Best and May's board, advised by Hill Samuel, has agreed to the offer and the conditions, and will vote its acceptance of 11.5 per cent. Combined with Lygon's existing holding this will give Crown House a stake of just over 31 per cent.

GA IN PUERTO RICO VENTURE

The General Accident Group in association with Gomez and Co., is setting up a new insurance company in Puerto Rico, the General Accident Insurance Company, Puerto Rico. It is intended that it will handle the entire casualty and property portfolio of Gomez.

The GA is the largest British insurer in Puerto Rico with a total premium income of about £5m a year. Gomez has been the general agent for GA in the country for over 50 years. GA will hold a majority shareholding in the company, with Gomez being actively involved in the management. But GA will also continue to operate in Puerto Rico in its own name through the general agency of Carrera and Co. of Mayaguez.

It is hoped that the formation of this new company will provide a suitable structure for still

PAWSON BUYS LEA HATS

W. L. PAWSON AND SON is acquiring Leas of Luton, for £185,000 cash plus the issue of 60,000 ordinary shares to the vendors plus such further number of shares as will, when placed, realise £130,000 net for the vendors.

At May 31, 1978, net tangible assets of Leas and its subsidiary amounted to £460,804, including £171,854 deferred tax. Consolidated profit for year ended on that date totalled £116,126 before an exceptional pension scheme contribution of £40,439 and tax £31,808.

Lea and its subsidiaries—Marida Hats and Marida (Export)—manufacture and sell ladies' hatwear. Turnover of £1,187,878 in the year ended May 31, 1978 was reported.

Pawson believes that the acquisition will improve the sales and profits of both Lea and the existing Pawson Group.

CRONITE PURCHASES

Cronite Group is buying from Mr. G. W. Adams, Miss L. A. Edwards and Mr. S. R. Ward 60 per cent of the capital of Ward Plant Spares (Healey), and all

greater expansion of general insurance business in Puerto Rico and provide an even closer identification with the needs of the local insurance market. It is anticipated that premium income will increase substantially under the new arrangement. The company will have offices in San Juan and Mayaguez.

ALLSTATE FORMS REINSURANCE OFFSHOOT IN UK

Allstate Insurance, one of the top three U.S. insurance companies, has formed a London-based reinsurance company.

The new company, Allstate Reinsurance Company (UK) has an authorised capital of £2m of which £1.25m is fully paid up in cash.

The underwriting for the new company, which will accept non-proportional treaty reinsurance from Lloyd's brokers, is to be managed by Donald Fox and Partners. (Underwriting Management).

Allstate already owns the Federated Insurance Company of Sale, Cheshire, and the group has also formed a joint insurance venture with Great Universal Stores.

FITZARD DEAL WITH WHITECROFT

The Boards of Fitzard Group and Whitecroft (announces that terms have been agreed for the acquisition by Fitzard's subsidiary—W. and A. Miers—of the assets and business of Fitzard's subsidiary, Whitecroft, which is the leather tanning industry.

Fitzard intends that after a preliminary period during which the business will continue at the premises occupied by Midland Leather in Rochdale, production will be moved to Miers which operates from a modern factory in Leeds.

NO PROBES

The following mergers are not to be referred to the Monopolies Commission. Lombard Insurance Company (UK), Elizabethan Marine and General Insurance Company, CTS Corporation, a minority shareholding in A. B. Electronic group; General Electric Company, A. B. Dick Company; Dart Industries, P. R. Malloy and Co.

TEBBITT

Tebbitt Group has completed the acquisition of Safeacast first announced on January 2.

Camrex drops Dufay bid

Camrex (Holdings) has abandoned its plans to make a full-scale bid for Dufay. In a short statement issued last night Camrex, a specialist in anti-corrosion coatings, said, "since they have been unable to obtain the recommendation of the Board of Dufay to a general offer to shareholders of Dufay at 50p per share, they do not at present intend to make any offer, but to retain the 3,303,204 shares (28.75 per cent) of Dufay recently acquired."

The early retreat of Camrex after an announcement that Dufay, a manufacturer of surface coatings, announced a bid-rising dividend lift. This gained Treasury approval yesterday.

A total dividend of 2.345p net is to be paid for 1978. This includes a final of 1.75p net and a 2.68p net. Of that amount 1.2p net per share will be paid at the interim stage, and 1.48p will be paid as a final.

Dufay's chairman Mr. Cecil Attwood said last night "Camrex have just been shouting about a 50p bid. They have never put anything on the table."

If a bid had emerged at the mooted price of 50p it would have been vigorously contested by Dufay.

It was just a week ago that Camrex announced that after acquiring a 29.75 per cent shareholding (from a Mr. Geoffrey Kohn) it was "approaching the board of Dufay with a view to procuring their recommendation for a general offer to shareholders at the same price" at which it had purchased its stake—50p per share.

Its announcement came just two days after Dufay had announced the end of exploratory merger talks between the two groups and called for an investigation into recent dealings in its shares.

Camrex paid £1.65m to acquire its near 30 per cent stake and a 50p offer for the outstanding Dufay equity would have valued the group at £5.8m.

Dufay called for an investigation into dealings in its shares after an apparent leak to the Press which suggested that a takeover bid for Dufay was likely.

On the back of takeover speculation the group's shares rose 3p two weeks ago to 45p, but fell after Dufay announced the end of merger talks.

Last night the group's shares were 49p, up 2p.

LEYLAND PAINT BUYS NORTHERN FOODS OFFSHOOT

Leyland Paint and Wallpaper has agreed to acquire from Northern Foods the capital of its subsidiary Beckwith and Webster, for £315,000 cash.

Beckwith operates 13 shops engaged in the retail paint and wallpapering business. These trade under the name of Turners Decorating, in the north-east of England, and a wholesale hardware business in Middlesbrough.

RUGBY CEMENT IN AUSTRALIAN HOTEL DEAL WITH HILTON

Rugby Portland Cement Company announces that the wholly-owned Australian subsidiary—Parnelia Hotel Pty. and Hill Holdings Pty.—which operate and own the five-star Parnelia Hotel in Perth, Western Australia, have reached an agreement with Hilton International to take over the future operation of the hotel.

The agreement is for a minimum of 20 years and provides for Hilton to lease and operate the hotel, in return for a minimum rent subject to inflation adjustment and for a share of profits above an appropriate level.

From the first full year this should substantially improve the profitability of the hotel, which remains the property of the Australian companies and will revert to them at the end of the lease.

The hotel will be known as the Parnelia Hilton International.

BIRMIID'S GERMAN FOUNDRY VENTURE

Birmid Qualecast announces plans for a 49 per cent participation in the establishment of a new foundry operation at Neunkirchen, West Germany, to be known as Columbus Neunkirchen Foundry.

The foundry at Neunkirchen will have a similar product range and be equipped identically to one built by the 51 per cent shareholder, Columbus Foundries in the U.S.

The foundry is scheduled to start up in October, 1979. The cost of Birmid's participation is around £1.5m.

AARONSON BROS. LIMITED

Manufacturers of Contiboard, Contiplex, Wood Veneers, Anylux, Locomite, Armaflex, Spanboard, Bath Panels & Tiles.

STATEMENT OF TRADING RESULTS

Year ended 30th September, 1978 (Subject to Final Audit)

	1978	1977
	£'000	£'000
Group Sales	34,203	27,612
Trading Profit	3,420	2,795
Shares of Profit of Associated Company	46	44
Profit before Taxation	3,468	2,839
Taxation (including Advance Corporation Tax) (See below)	593	167
Profit after Taxation	2,875	2,672
Interests of Minority Shareholders	338	369
Profit for the Year attributable to the Group	2,537	2,303
Dividends Paid and Proposed—		
Preference Capital	130	130
Ordinary Capital	861	383
	991	513
Earnings per Ordinary 10p Share—Fully Diluted		
—Net Basis	11.41p	10.81p
—Nil Basis	13.33p	11.72p

The Directors are pleased to report a satisfactory increase in your Group's Profit for the year ended 30th September, 1978. Turnover and Group Profit were both at record levels. Turnover was up to £34,203,000 (1977: £27,612,000) and profits before taxation and minority interest were £3,468,000 (1977: £2,839,000) which represents an increase of approximately 22% over the previous year. This result was achieved without price increases and was due to substantially increased productivity within the group's factories which enabled increased costs to be absorbed with very little effect on the Net Profit Margin 10.14% (1977: 10.28%).

In the Directors' opinion, the amount of Corporation Tax payable over the next three years will be minimal due to planned Capital Expenditure and Stock Levels and therefore the Provision for Deferred Taxation amounting to £2,229,000 is no longer required and has been written back to Reserves. At the same time the Directors have decided to set off the unrelieved Advance Corporation Tax of £589,000 against the Deferred Taxation being written back, although this remains available for relief against Corporation Tax payable in the future. Included in the Taxation charge for this year is a sum of £490,000 being Advance Corporation Tax relating to this year

and the comparative figure has been accordingly adjusted by £266,000. The Directors propose recommending a Final Dividend of 2.5p per Ordinary Share which with the Interim Dividend already paid will make a total of 3.5p per Ordinary Share for the year (1977: 1.3715p per share), absorbing £560,688 (1977: £382,933), an increase of 75% in Gross Dividend per share for the year. Subject to the confirmation of the above dividend at the Annual General Meeting to be held on Thursday, 29th March, 1979, Dividend Warrants will be posted on 6th April, 1979, for payment on 8th April, 1979, to all shareholders on the Register at the close of business on 28th February, 1979.

Earnings per Share have been calculated on a weighted average of the number of shares in issue during the year.

FUTURE PROSPECTS: FURTHER INCREASED PROFITS EXPECTED

The current financial year has got off to a good start, despite the recent national industrial disputes, which caused two plants to close temporarily and affected production at some of the group's other factories. However, subject to normal trading conditions resuming shortly, and continuing throughout the year, the Directors anticipate a further increase in the Group's profit for the year ending 30th September, 1979.

Plantation's share activity

THE PLANTATIONS sector came to life yesterday with no fewer than four companies reporting activity in their shares.

A history bidder apparently waits in the wings for St. George's Assets, a small investment company which owned rubber plantations in Sri Lanka prior to nationalisation.

Yesterday the company asked for its shares to be suspended pending a reorganisation details of which it intends to publish shortly.

At the same time the board said that it had received an approach "that could materially affect the structure of the group." Discussions are still continuing.

St. George's plantations were nationalised in 1975 and the company has reported annually that the compensation tranches have been coming through on time. The proceeds have largely been invested in short dated gilts.

In the Camellia group of plantation companies a grip on Eastern Produce has been tightened. Lawrie Plantation Holdings, one of the Camellia camp, has bought 100,000 shares, increasing its interest to 599,154 shares (8.32 per cent). But the interest of the Camellia group

is still over 10 per cent. The interest breached this level in October last year when the normal take-over requirement was waived by the City Take-over Panel. The requirement was waived because under the rules the bid would have had to be at a price which was well below the then market price. The Camellia group can now buy 3 per cent a year in the market without having to mount a bid.

The two other companies whose shares were dealt in belong to the M. P. Evans group. Just over 7 per cent of Padang Senang Rubber is now held by Warren Tea Holdings. Warren acquired some shares in Padang when it bought Supara in 1977. The stake has reached 173,500 shares through the purchase of 45,500 shares at around the market price at the end of last week. Warren says there is no bid intention. The M. P. Evans group also bought some of the same line of shares which became available.

Kuala Lumpur Kepong Investments is now the owner of 148,000 shares (5.01 per cent) in another M. P. Evans company, Seradita Rubber Estates.

DERITEND BUYS IN IRELAND

The Deritend Group of precision engineers has concluded negotiations with the Industrial Development Authority of Ireland to buy 45,500 shares (Ireland), Roscommon—the country's only investment casting company.

Deritend is installing additional plant and equipment to double the company's capacity to £2m annual turnover over the next three years and to treble staff to some 40. It is to be

renamed Roscommon Precision Castings.

Deritend produces complex investment castings from under 2g to 50kg in weight with cast surface finishes down to 30 microloures and tolerances of ±0.13mm per 25mm. A wide variety of steels, cast and special iron-based alloys, copper-based, aluminium and special-purpose alloys are utilised.

HARTWELLS

Hartwells Group announces that owing to accounting delays completion of the acquisition of the businesses of W. P. Spearman and Charles Beazley, the plumbing engineers, has been postponed from January 31 to February 28. The purchase price is to be fixed by reference to net asset values as at last November.

SHARE STAKES

Yarrow-Vosper has acquired 77,500 shares and now owns 22.94 per cent of the capital. Capital and National Trust—London and Manchester Assurance Company bought 20,000 shares on January 24, making total held 755,679 (more than 5 per cent).

Barton and Sons—Prudential Assurance Company holds 5.07 per cent.

John Foster and Son—Pearl Assurance Company following recent rights issue, hold 355,031 shares (4.82 per cent).

Stock Conversion and Investment Trust—Kuwait Investment Office bought 85,000 shares between January 15 and 24 to make holding 1,530,000 shares (5.11 per cent).

Tanjong Tin Dredging—Tienik Enterprises Sdn. Bhd. of Kuala Lumpur is beneficially interested in 185,000 shares (about 12.4 per cent).

McKay Securities LIMITED

INTERIM STATEMENT

The unaudited results of the Group for the six months ended 30th September, 1978 were as follows:

	Six months ended 30th September 1978	1977	Year ended 31st March 1978
	£'000	£'000	£'000
Gross income	752	598	1,295
Overseas sales	145	238	373
Profit before taxation	392	193	386
Taxation	149	74	150
Profit after taxation	152	119	236
Development interest	13	5	5
Profit before extraordinary items	139	114	231

An interim dividend on the Ordinary Shares for the year ending 31st March, 1978 of 0.35 pence per share on the enlarged Ordinary Share Capital following the recent capitalisation issue has been declared payable on 28th March 1978. The equivalent dividend for 1978 on the then issued Ordinary Share Capital, as adjusted by the recent capitalisation issue, was 280.98 pence per share.

The Directors expect the results for the second half year to be not less than those shown above and to be able to recommend a final dividend of a similar amount.

NOTICE TO HOLDERS OF ITO-YOKADO CO., LTD.

6% CONVERTIBLE DEBENTURES DUE AUGUST 31, 1982
5% CONVERTIBLE DEBENTURES DUE AUGUST 31, 1983

Pursuant to Section 3.05 of the Company's Indentures dated as of June 15, 1977 and July 1, 1978, respectively relating to the above-mentioned Debentures, notice is hereby given as follows:

1. On January 8, 1979, the Board of Directors of the Company resolved to make a free distribution of shares of the Company's Common Stock to shareholders who recorded as of March 1, 1979 in Japan (February 26, 1979 in New York City), at the rate of 1 share for each 10 shares held.

2. According to the conversion prices at which the above-mentioned Debentures may be converted into shares of Common Stock of the Company will be adjusted effective immediately after such record date. The conversion prices in effect before such adjustment are Yen 1,425.00 for the 6% Convertible Debentures Due August 31, 1982 and Yen 1,475 for the 5% Convertible Debentures Due August 31, 1983, and the adjusted conversion prices, subject to further possible adjustment as set forth in paragraph 3 hereof, will be Yen 1,314.10 for the 6% Convertible Debentures Due August 31, 1982 and Yen 1,364.70 for the 5% Convertible Debentures Due August 31, 1983.

3. The Board of Directors of the Company has also authorized a new issue of 12,500,000 shares of the Company's Common Stock through underwriters in Japan. The additional shares are planned to be issued on March 1 and if the issue price is below the "current market price" as defined in the Company's Indentures, a further adjustment may be required in the conversion price, stated in paragraph 2 above, of the Company's Convertible Debentures.

ITO-YOKADO CO., LTD.
29-1, The Bank of Tokyo Trust Company
as Trustee

Dated: February 1, 1979

Some industries are thinking microprocessors. We are using them

There's a lot more to weighing than beams and levers. Look at the Avery 1750 in your local shop. Deep inside the world's leading digital scale, there is a microprocessor carrying out all control and computing functions. Result: higher performance and reliability.

Microprocessors bring the same benefits to our electronic counting scales, weighing-in-motion schemes, weighbridge recording systems, and fully automated industrial weighers.

Load cells, solid-state physics, digitizers, and microcomputers have made weighing a high-technology business. Big or small, in factory, shop or process plant, our scales can be engineered to feed computers, control handling gear, actuate recorders, command remote displays...

That's Avery technology at work.

electronic weighing today is Avery today



AVERY

W & T Avery Ltd
Smethwick, West Midlands, B66 2LP
Telephone: 021-553 1112 Telex: 339569

A member of the Averys Limited Group of Companies

Northern Foods seeking £191m borrowing limit

AT the AGM of Northern Foods the directors propose to change the Memorandum and Articles of Association of the company.

In a letter accompanying the annual report and accounts they explain that the changes to the Articles concern their powers to borrow money.

They state that although they have no present intention of materially increasing borrowings they consider it desirable that a new limit of an amount equal to twice the aggregate of the issued and paid-up capital and the consolidated reserves be imposed.

On the basis of the September 30, 1978, accounts the new borrowing limit would be £191.5m. As at December 30, 1978, the borrowings to be taken into account under the new Article were some £15.4m.

Two of the new Objects of the company would be:

A—To carry on business as an investment holding company and to control and co-ordinate the administration and operation of any companies, syndications or firms for the time being directly or indirectly controlled by the Company.

B—To promote any other company for the purposes of acquiring the whole or any part of the business or property and undertaking any of the liabilities of the Company, or of undertaking any business or operations which may appear likely to assist or benefit the Company or to enhance the value of any property

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are in terms of final, and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Imriming—Gordon-Lindsay Industries, Kinta Kelang Rubber Estates, London Transport, Malaysia Rubber, Louis Newmark, Steinberg Group, Wholesale Fittings.

Friday—A.C.E. Machinery, Associated Fisheries, Lonsdale Universal, Trust House Forte.

FUTURE DATES

Intending—

MFI Furniture Centres Feb. 13

Press Tools Feb. 13

Friday—

Dewhurst Dent Feb. 7

General Consolidated Inv. Trst. Feb. 13

Scottish United Investors Feb. 2

Vereeniging Refractories Feb. 13

Wardle (Bernard) Feb. 13

The company faces the future with a strong financial base, a sound policy built around existing markets and an excellent history of profit growth. Taking these factors into account, Mr. Horsley foresees vigorous growth both organically and by selective acquisition.

As reported on December 30, taxable profits for the year to September 30, 1978, rose to £17.91m to £22.4m on turnover of £302.64m against £232.32m.

On a current cost basis pre-tax profits are shown at £19.02m (£12.88m), after adjusting for depreciation £3.22m (£3.29m), cost of sales £1.08m (£2.41m) and gearing £0.9m (£0.67m).

A statement of source and application of funds shows an £8.3m (£2.6m) increase in working capital.

It is also announced that Leyland Paint and Wallpaper has agreed to acquire from Northern Foods the capital of its subsidiary company, Beckwith and Webster, for £316,000 in cash.

Beckwith operates 13 shops engaged in the retail paint and wallcovering business, under the name of Turners Decorating, in the north-east of England, and a wholesale hardware business in Stiddlesburgh.

ORDER BOOKS at ICL were standing at a record level at the end of the first quarter of this year. Mr. Tom Hudson, chairman, told a packed annual meeting yesterday.

Sales continued to be buoyant and he was confident that the outlook forecast at the time of the annual report would be supported. It was, however, difficult to foresee the effect of the present industrial unrest so more detailed comment must await the interim figures which will be published at the end of May.

Mr. Hudson tentatively suggested that if and when Government controls on dividends are lifted, shareholders can expect a significant increase in their dividend.

"I believe that this sort of high technology industry needs a high reversion of earnings," he said. "But this need not be as high as a cover of seven. There is scope in the future for increases in the dividend if government permits."

Mr. Hudson pointed out, however, that the company had approached the Treasury last year to ask for permission to increase the dividend beyond the 10 per cent ceiling and had been refused.

The board was confident that 1979 would be a year of continued growth both in profits and turnover. One of the keys to this, Mr. Hudson explained, was increased capital investment and this was being done.

He admitted that group productivity was very much lower than the major competitors, 90 per cent of whom were American owned, and improvement in this area was a slow and complicated process.

Meanwhile he did not fear Japanese competition as such. The Japanese did not have an extraordinary advantage in the field of computers. The cost of the hardware was a small proportion of total costs; the key costing element was service which has to be supplied by local labour in the local market.

Mr. Hudson believed that one indication of the City's confidence in the group was that Plessey's offer for sale of its stake was oversubscribed three times and the shares had been split among 100 institutions. As a result the NEB's stake had increased to just over 25 per cent.

The company is keen to participate in the new Government drives in new technology. It has recently appointed a full time senior executive to discuss with Government areas in which ICL might expand—such as micro-processors—where Government grants (not loans) are available.

In answer to a shareholder's question Mr. Hudson also reaffirmed the group's intention to trade throughout the world. South Africa accounted for a third of overseas sales, and 90 per cent of all sales to the African continent.

Western Deep considers a £173m expansion

BY PAUL CHEESERIGHT IN JOHANNESBURG

SOUTH AFRICA'S major mining house, Anglo American Corporation, is studying the possibility of a major expansion costing R300m (£173m), to its Western Deep Levels gold mine in the Transvaal.

The expansion would involve the sinking of a new shaft into the Ultra Deep Levels area to the south of the existing mining area, according to senior executives.

Western Deep is already the world's deepest gold mine, with operations taking place at a depth of more than 13,000 feet, but a new shaft would go even deeper than this to around 14,000 feet.

The Ultra Deep Levels area is the only feasible expansion possibility for the mine. Its lease area is surrounded on all other sides—by Elandsrand to the west, Driefontein to the north-west, Blyvooruitzicht and West Driefontein to the north and East Driefontein to the east.

No final decision on the expansion has yet been made. Western Deep has on hand at present the building of a R50m uranium treatment plant, the financing plans for which are not completely settled. It is waiting for a consumer financing loan but if the interest rate demands for this prove too high, funds will come from within the Anglo group.

The uranium plant should become operational by mid-1980,

and the Anglo executives made it clear that they were not keen for the shaft expansion to over-lap with the uranium development, citing the problems of cash flow.

But they added that if the bullion price held up, the over-lapping was a possibility. Indeed the high level of the bullion price has made it possible to contemplate even a costly development of this scale. Anglo's most recent major gold mine expansion has been the establishment of the Elandsrand mine, but this cost R117m, less than the proposal for Western Deep.

The proposal indicates a conviction within Anglo that Western Deep has overcome the technical problems which have held back earnings and also a wider belief in the future stability of the bullion price.

This belief is generally held in the industry and is in turn reflected in an analysis of the

gold market contained in the 1978 year-end review of the Chamber of Mines which is published today.

The review concludes that this year the industrial market for gold will continue to consolidate, providing a base support for the gold market. At the same time the analysis concludes that "money-related demand" for gold should continue to expand as investors seek protection against further cracks in the regime of floating exchange rates, inflation and major political upheavals.

The chamber states that the major issue clouding the market is the size of the U.S. Treasury gold auctions, currently running at 1.5m ozs a month. "A continuation of gold auctions at this level will inevitably lead to a period of consolidation while the market digests this structural shift in gold supply," the Chamber warns.

Hudbay pays again

WHILE metal market followers view the upturn in base-metal prices, notably of copper, with some caution, the metal producers are only too grateful after a long period of depression. Taking an optimistic view, the Anglo American Corporation group's Canadian Hudbay Mining and Smelting has returned to the dividend list.

Following the last quarterly payment of 20 cents in September, 1977, Hudbay is declaring a payment for the fourth quarter of 1978 of 10 cents to shareholders of record on February 15 next "in light of improved metal prices and the current outlook."

The primarily copper and zinc producer made a profit of C\$3.68m in the first nine months of last year compared with C\$5.01m, before extraordinary items, in the same period of 1977. Clearly, earnings will have taken a stride forward in the fourth quarter of 1978.

In London yesterday, the price of spot copper moved up 23p further to £265 per tonne, its highest since March, 1977. Zinc,

which is still a much less buoyant market, rose 5½p to £265½.

RICHARDS BAY LEASING DEAL

The South African General Mining Union Corporation group's Richards Bay Iron and Titanium has completed arrangements with Barclays Leasing, a division of Barclays National Bank whereby R50m has been sold to Barclays plant and equipment located at its smelter complex, near Richards Bay, Natal, and has arranged to lease such plant and equipment from the bank for a minimum period of 10 years.

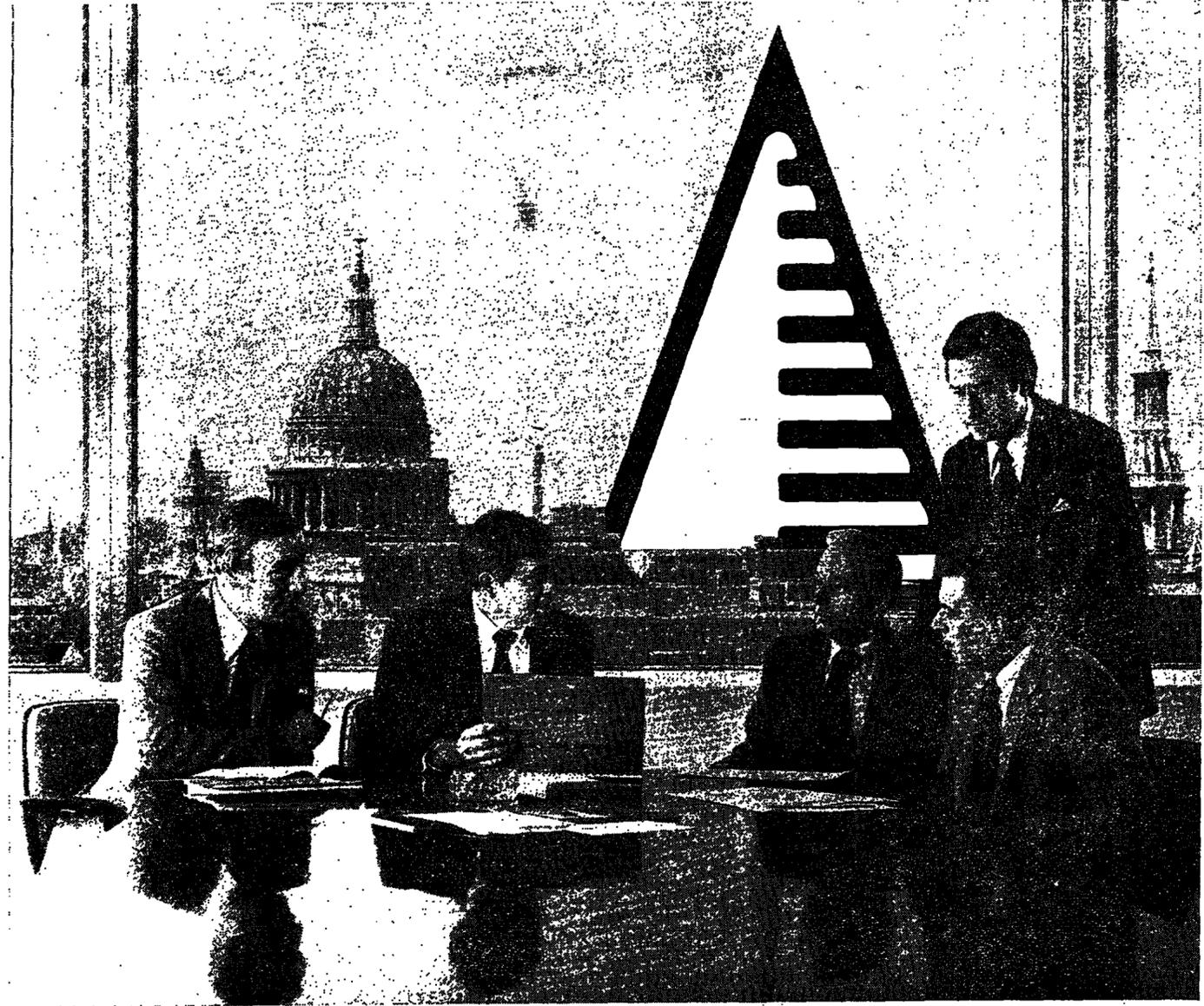
The amount involved in the sale is R120m (£69m) and will be used mainly to retire certain existing loans on due date over the next four years. The firm of refinancing will effectively extend the period of redemption of its financial commitments at a more favourable interest cost than can be obtained in the overseas or local loan markets.

GREENFIELDS

Greenfield Millets has now changed its name to Greenfields Leisure.

or business of the Company, and to place or guarantee the placing of, underwrite, subscribe for, or otherwise acquire all or any part of the shares or securities of any such company as aforesaid; and to provide money for or invest money in any other company, syndicate or firm with a view to obtaining contracts or other advantages.

In his annual statement Mr. Nicholas Horsley, chairman, says the current year has started well although it is too early to make a forecast he expects further progress in the 12 months.



At the Pyramid people are as important as institutions

For over 50 years, the Bankers Trust Pyramid has been the symbol of one of the most knowledgeable full service banking organisations in the City. At Bankers Trust we know more about what's needed in the U.K. than almost any other bank in the market.

We tackle the problems of our clients on a highly personal level. Because we believe this is the best way to work, the fastest way to reach a decision.

Tim Miller, pictured here with the London Branch's four top marketing officers, heads Bankers Trust Company's team in the U.K. Behind them is a staff of over 700 in Britain and an international network of branches and offices in 35 countries.

Bankers Trust clients include corporations, institutions and Government bodies in the U.K. and worldwide. We provide quick answers on short and medium term finance, loan syndication, ECGD and other export financing.

You can talk with Bankers Trust specialists in specific industries such as energy, insurance, commodities, shipping, pension fund management and corporate trustee appointments. Some examples of how the Bankers Trust's London team, under the direction of managers pictured above, helps customers:

Ted Holloway runs the Bankers Trust London Money Centre which is a major buyer and seller of foreign exchange, active in Sterling and Eurocurrency money markets, and dealing in domestic U.S. dollar denominated instruments. In addition, the Centre provides a cost-free Customer Advisory Service for companies involved in the foreign exchange and money markets.

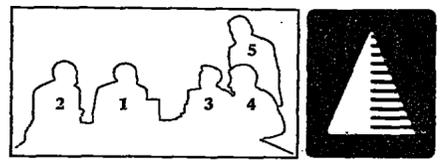
Co-ordinated by Peter Denbow, the domestic and international banking sections, headed by Harold Cotterill and Stuart Reid respectively, work with a broad range of companies operating in the U.K.

For instance, we arranged a medium term loan to help a company expand its wholesale distribution outlets in the U.K.; provided funds for development of an oil field in the North Sea; arranged facilities for British companies needing working capital to manufacture equipment used in offshore oil fields.

Internationally, we recently arranged finance to enable British-based multinationals make major acquisitions in the U.S. So that another manufacturer could finance its Far East subsidiary, we arranged a term loan in one currency, with options to switch to other currencies if advantageous.

Wherever you encounter the Bankers Trust Pyramid, you're dealing with a full service bank in the fullest sense of the word, with the capacity to raise, lend and manage money anywhere in the world.

- 1. Tim Miller: Senior Vice President and General Manager
- 2. Peter Denbow: Vice President and Deputy General Manager, Banking
- 3. Ted Holloway: Vice President and Deputy General Manager, Money Market and Foreign Exchange
- 4. Harold Cotterill: Vice President and Assistant General Manager, Domestic Banking in the U.K.
- 5. Stuart Reid: Vice President and Assistant General Manager, International Banking in the U.K.



Bankers Trust Company

9 Queen Victoria Street, London EC4Q 4DB
Telephone: 01-236 5000. Telex: 883341.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100) retail sales volume, retail sales value (1971=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value	Unemp. played	Vacs.
1977							
3rd qtr.	106.2	103.1	96	104.3	234.2	1,413	151
4th qtr.	105.3	102.0	100	104.4	239.4	1,431	157
1978							
1st qtr.	107.1	102.4	99	106.3	246.0	1,499	188
2nd qtr.	111.1	105.0	97	106.0	254.5	1,267	213
3rd qtr.	111.6	105.3	102	110.8	267.5	1,350	213
August	112.1	105.9	101	111.8	270.3	1,332	209
Sept.	111.0	104.7	109	109.5	266.6	1,378	219
Oct.	109.2	102.9	103	109.6	267.2	1,360	228
Nov.	110.1	103.4		109.9	269.1	1,339	231
Dec.				113.0		1,321	231
1979						1,339	236
Jan.							

OUTPUT—By market sector: consumer goods investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mfg.	Textile etc.	Housg. starts*
1977							
3rd qtr.	104.3	98.7	116.5	99.9	107.8	101.3	25.4
4th qtr.	104.9	97.5	114.4	98.7	95.2	100.2	20.7
1978							
1st qtr.	105.3	99.8	116.3	100.8	95.4	97.2	17.8
2nd qtr.	107.9	99.2	122.9	100.7	108.3	99.4	27.1
3rd qtr.	107.1	100.5	122.4	101.6	102.3	100.6	22.8
June	109.0	100.0	124.0	101.0	112.0	100.0	30.9
July	106.0	101.0	124.0	101.0	113.0	104.0	23.6
August	109.0	101.0	122.0	103.0	93.0	104.0	20.3
Sept.	107.0	100.0	122.0	100.0	101.0	101.0	24.5
Oct.	106.0	98.0	122.0	98.0	101.0	99.0	24.1

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance; oil balance; terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US\$bn*
1977							
3rd qtr.	124.4	106.6	+ 31	+ 575	- 602	101.0	13.4
4th qtr.	117.6	102.7	- 5	+ 591	- 657	102.4	20.39
1978							
1st qtr.	119.5	114.1	- 442	- 413	- 643	104.8	20.63
2nd qtr.	123.0	110.3	- 182	+ 126	- 398	104.6	16.78
3rd qtr.	125.3	116.1	- 222	- 26	- 515	105.3	16.55
August	124.4	111.3	+ 46	+ 152	- 98	105.7	16.4
Sept.	125.1	120.8	- 236	- 131	- 196	105.5	16.51
Oct.	127.4	111.9	- 97	+ 217	- 131	105.3	15.97
Nov.	124.5	120.3	- 192	- 72	- 167	106.6	15.67
Dec.							15.69

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (Em); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

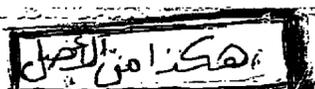
	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	MLR %
1977							
4th qtr.	22.3	12.6	8.7	+ 698	1,639	1,189	7
1978							
1st qtr.	24.3	23.8	17.5	+ 1,791	1,049	1,290	6½
2nd qtr.	24.8	15.7	24.6	+ 2,558	694	1,393	10
3rd qtr.	18.8	5.3	8.6	+ 1,203	878	1,427	10
4th qtr.	4.8	9.4	8.8	+ 1,203	878	1,427	12½
Sept.	18.8	5.3	8.6	+ 713	346	476	10
Oct.	12.8	5.5	1.6	+ 535	363	469	10
Nov.	12.3	10.6	9.8	+ 106	291	505	12½
1979							13½
Jan.							12½

INFLATION—Indices of earnings (Jan. 1978=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (Dec 1971=100).

	Earnings*	Basic matls.*	Wholesale mfg.*	RPI*	Food*	FT commodity	Strg.
1977							
3rd qtr.	116.1	146.4	142.9	184.7	182.1	239.9	61.8
4th qtr.	119.9	142.2	145.8	187.4	193.3	234.2	63.3
1978							
1st qtr.	123.1	140.2	148.2	190.8	197.3	238.61	64.6
2nd qtr.	129.0	145.2	151.8	195.4	203.8	242.27	61.5
3rd qtr.	132.3	144.9	150.2	198.2	206.2	243.74	62.1
August	131.7	144.2	154.8	199.4	208.2	248.54	62.4
Sept.	134.2	144.8	155.7	200.2	206.3	253.74	62.7
Oct.	133.1	145.7	156.6	201.1	205.6	256.22	62.5
Nov.	147.3	157.1		202.5	207.9	263.63	62.7
Dec.	148.0	158.3		202.5	207.9	267.69	64.0

* Not seasonally adjusted.

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CURRENCIES, MONEY AND GOLD

Dollar improves: pound steady

The dollar improved against most currencies in yesterday's foreign exchange market...

NEW YORK—The possibility of compulsory measures on the use of oil in the light of the Iranian crisis, pushed the dollar higher in early trading...

MILAN—The continuing uncertainty over the future of the Italian Government failed to have any real adverse effect on the Italian lira...

TOKYO—The dollar continued to improve yesterday against the yen, after better than expected U.S. trade figures for December...

FRANKFURT—There was no intervention by the Bundesbank at yesterday's fixing when the dollar improved to DM 1.8616...

THE POUND SPOT FORWARD AGAINST £. Table with columns for Jan. 31, Day's Spread, Close, One month, 3 months, 6 months.

THE DOLLAR SPOT AND FORWARD. Table with columns for Jan. 31, Day's Spread, Close, One month, 3 months, 6 months.

CURRENCY RATES. Table with columns for Currency, Rate, and Bank of Morgan Guaranty.

CURRENCY MOVEMENTS. Table with columns for Currency, Rate, and Bank of Morgan Guaranty.

OTHER MARKETS. Table with columns for Currency, Rate, and Note Rates.

EXCHANGE CROSS RATES. Table with columns for Currency, Rate, and Exchange Cross Rates.

EURO-CURRENCY INTEREST RATES. Table with columns for Term, Rate, and Euro-Currency Interest Rates.

Changes in U.S. and Belgium. Interest rates continued to decline in one or two of the world's major financial centres yesterday...

GOLD Firmer tendency. Gold improved in the London bullion market yesterday and closed at \$222.224, a rise of \$1.02...

Moderate assistance. Bank of England Minimum Lending Rate 12 1/2 per cent (since November 9, 1978).

MONEY RATES. Table with columns for Currency, Rate, and Money Rates.

LONDON MONEY RATES. Table with columns for Term, Rate, and London Money Rates.

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LEGAL NOTICES

No. 00057 of 1978. In the HIGH COURT OF JUSTICE Chancery Division Companies Court...

LEGAL NOTICES

No. 00058 of 1978. In the HIGH COURT OF JUSTICE Chancery Division Companies Court...

LEGAL NOTICES

No. 00059 of 1978. In the HIGH COURT OF JUSTICE Chancery Division Companies Court...

LEGAL NOTICES

No. 00060 of 1978. In the HIGH COURT OF JUSTICE Chancery Division Companies Court...

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No. 00061 of 1978. In the HIGH COURT OF JUSTICE Chancery Division Companies Court...

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No. 00062 of 1978. In the HIGH COURT OF JUSTICE Chancery Division Companies Court...

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EXHIBITIONS

NEW YEAR'S Party Exhibition. Archway Leisure Centre, Archway, London N4 7AA.

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Commission of the European Communities; the Rt. Hon. Gordon Richardson, Governor of the Bank of England; Dr. Otmar Emminger, President of the Deutsche Bundesbank; Robert Solomon, Senior Fellow, The Brookings Institution of Washington DC; Dr. Irving Friedman, Senior Vice President, Citibank.

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A FINANCIAL TIMES CONFERENCE

National Bus—strength in a declining market

BY IAN HARGREAVES



A bus of the Midland Red subsidiary of NBC picking up passengers in Worcester.

NO-ONE, it may be safely predicted, will turn a hair when the National Bus Company publishes its 1978 results later this year. For the third successive year, the company's net surplus will show a healthy increase, comfortably in excess of last year's £9.6m.

Indeed, as it celebrates its tenth birthday, National Bus, whose 30 subsidiaries account for 40 per cent of the UK public transport fleet, has some claim to be regarded as one of the country's most successful public sector activities. It has shown financial strength in a declining market and has cut its resources of both staff and vehicles—the former by 19 per cent in eight years to 65,000—to meet the decline.

Similar business trends can also be noted in other sectors of the bus industry. In aggregate, the bus operations of English and Welsh municipal operators and the passenger transport executives of the metropolitan counties reduced their operating costs from £22.2m in 1975-76 to £10.8m in 1976-77, according to research done by the Central London Polytechnic. Likewise London Transport, much the largest of the bus companies outside NBC, has reduced its dependence upon Greater London Council subsidies from £87m in 1976 to £56m in 1978 although this strict financial regime is bringing increased pressure to thin out services.

In total, the bus industry costs local and central government £228m last year in subsidies and capital grants and another £11m in support of concessionary fares schemes. This compares very favourably with the £549m needed to keep British Rail and the London Underground going in 1976-77. National Bus, which runs half of Britain's stage carriage services and 90 per cent of its rural services, has a gross turnover approximately equal to the annual grants given to British Rail, with which it competes on many long distance routes.

It is perhaps surprising then to find the Government's Transport and Road Research Laboratory speaking of bus subsidies rising to between £500m and £800m a year (at 1975 prices) by 1985 if bus services remain at present levels, or of buses losing half their passengers if they meet the next six years with fare increases adequate to keep their books in balance.

Others, such as the Transport

and General Workers Union, which represents bus drivers, go further and say that the bus industry has been driven into a crisis which good house-keeping has disguised. This crisis, they argue, is one of rapidly deteriorating public transport.

Certainly buses and coaches are vital for public transport. They account for 12 per cent of passenger transport mileage, compared with 8 per cent for railways (the other 80 per cent is private transport). The importance of the bus is even greater when measuring market shares according to number of journeys.

Sir Freddie Wood, who retired as chairman of National Bus on January 1 (he is to be succeeded by Lord Shepherd), believes that this decline was inevitable in the face of growing car ownership. He saw his task as one of maintaining tight financial control from the centre, leaving the highly decentralised subsidiaries to work out the consequences in terms of service cuts.

Mr. Robert Brook, chief executive of National Bus, expects the decline to continue, but at a much more gradual rate than in the last 10 years. He says that only the tough and rather crude cut-backs of the last few years have given NBC the breathing space to introduce more sophisticated, computerised systems of matching service to demand. The increase in the number of passengers per bus-mile in service last year shows that the company's planning and market-

ing strategy is beginning to pay dividends, he says. The Government, meanwhile, has changed its tune. Before its policy re-think in 1977, the intention was to halve support for buses by the end of the decade. Instead, the Transport White Paper of that year said the existing total of about £150m a year should continue, but that there should be some shift of resources within that figure to provide an extra £15m by 1980 for rural services at the expense of urban buses.

No one pretends that this programme of experimentation will do anything more than plug, rather inadequately, a few gaps for the many villages where conventional bus services are a thing of the past. From the consumer's point of view, the prospect remains one of fewer buses and higher fares. On National Bus, the average fare paid more than doubled between 1974 and 1978.

It is ironic that the likelihood of a continuing worsening of services, following 10 very tough years indeed for the industry, excite so little public attention at a time when it has become politically almost impossible for the Government to even talk about closing railway lines.

There are a number of reasons for this. One is the fragmentation of the bus industry, and the fact that NBC remains, centrally, an organisation of only 100 people whose efforts do not run to campaigning on behalf of the industry. Similarly, the TGWU, the busmen's union, is far less politically single-minded when it comes to transport policy than the railway trade unions, whose influence on this and previous

Government has been consequently much greater.

A third factor is undoubtedly the lack of political influence of bus passengers, who are predominantly the wives of manual workers, the young (aged 18 to 21) and the retired, who now account for 30 per cent of the bus companies' business compared with 10 per cent a decade ago.

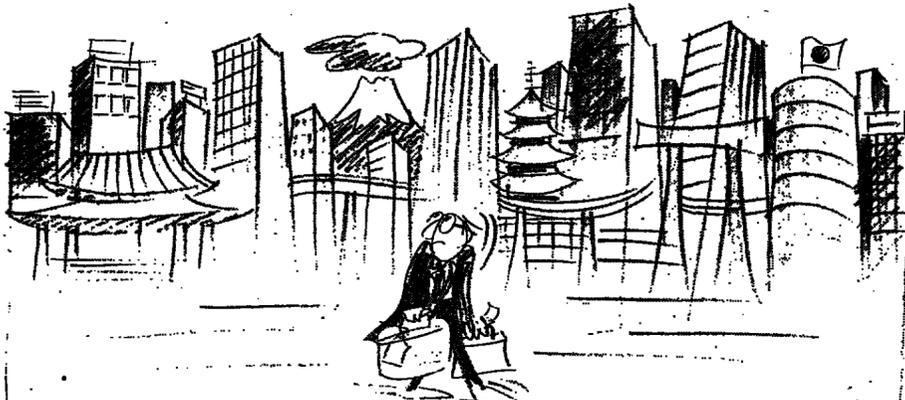
On top of this, the bus industry is facing two major financial uncertainties. First, the Government is committed to progressively abolishing from 1980 the 50 per cent grants it makes towards the cost of new buses and secondly, the industry will this year begin to feel the full impact of phased reductions in the bus driver's permitted working hours as British law is harmonised with that of the EEC. NBC says that the new regulations will cost it £20m a year and for the whole industry, the figure is put at £40m.

In the past two years the Government has also found it difficult to get county councils to adopt its more generous financial guidelines for bus support. This was the reason for the announcement at the end of last year that counties unwilling to increase their spending on buses in line with Government policy would have parishment. This was cut at their road budget Oxfordshire and Northamptonshire were the worst culprits and the most heavily penalised as a result.

As for the operators themselves, they must share some of the blame for the decline of the industry. In comparison with the railways, their fares structures have been rigid and unimaginative and bus design has not improved in line with other forms of transport or more general expectations. Also, crucially, service reliability in towns and cities has been and is pretty poor, partly because of traffic congestion and the unwillingness of British local authorities to give buses road priority (Paris has more bus-only lanes than the whole of Britain), but partly also because of poor ground-level management of bus crews, patchy maintenance and, in some cases, unreliable products from bus manufacturers.

For Government, the question is how much it values the preservation of what is already in many areas a thin or non-existent network and how it can best feed in whatever resources it deems appropriate.

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Companies and Markets

INTERNATIONAL COMPANIES and FINANCE

NORTH AMERICAN NEWS

Strong fourth quarter boosts Philip Morris

BY STEWART FLEMING IN NEW YORK

PHILIP MORRIS, the second largest U.S. cigarette manufacturer and brewer, reinforced its growth-stock status yesterday with a 20 per cent increase in fourth-quarter earnings. The company, which earlier this year completed a \$490m diversification into the soft drink business with the acquisition of Seven-Up, raised fourth-quarter net income from \$94.2m to \$101.6m. For the full year, the company's earnings are 22 per cent higher at \$408.6m or \$6.77 a share compared with \$334.9m or \$5.60 a share. Sales revenues for the year were 27 per cent higher at \$6.6bn compared with \$5.2bn in 1977. The company, which has recorded an annual compound

rate of earnings growth of just over 17 per cent over the past 18 years has been expanding its share of the cigarette market and has also profited from buoyant conditions in the brewing industry last year. In the past eight years, since it acquired Miller Brewing, it has transformed its performance by aggressive marketing. Hitting itself from the seventh largest brewer to the industry's Number Two behind Anheuser-Busch. Last year, buoyant sales of beer in the U.S. and firmer price trends are thought to have boosted the profitability of Philip Morris's brewing operations. In spite of the company's success, some analysts express

concern about the longer term prospects in the cigarette business because of fears that last year's contraction in the U.S. cigarette market overall could accelerate. But Philip Morris bucked the market trend last year by boosting its cigarette sales by 5.3 per cent. Its Marlboro brand remained the most popular cigarette in the U.S. and abroad while its low tar, Merit, was the fastest growing of the top ten U.S. brands. Showing continued faith in the future, the company plans to build a new cigarette manufacturing plant in North Carolina this year and to add new and more advanced equipment to other facilities.

Tax rate hits Allied Chemical

By Our Financial Staff

A FALL of 11 per cent in net income for 1978 is ascribed by Allied Chemical Corporation to an increase in its tax rate to 55.1 per cent from 42.9 per cent in the previous year.

Total net of the group, the sixth largest U.S. chemical group, fell from \$135.5m to \$120.2m, with per share earnings down from \$4.82 to \$4.25. Sales, at \$3.2bn showed a 14 per cent gain.

Allied said its tax rate increased last year because of a higher rate on increased oil and gas production overseas. Gains on operating assets in 1977 were also taxed at the lower capital gains tax rates.

The final quarter of 1978 brought a dip of nearly 25 per cent to \$29.6m in net earnings, with the per share figure down from \$1.39 to \$1.04. But sales put on 12 per cent to \$832m against the comparable period.

Allied is cautiously optimistic about 1979 results since construction on coke oven batteries at Ashland and Detroit has been completed and stability has returned to the coal mines with the new labour contract.

McGraw-Hill payment

McGraw-Hill has raised the quarterly dividend by 7 cents to 32 cents a share, reports Reuters from New York. Mr. Harold W. McGraw Jr., chairman and president, said the increase reflects the policy of paying out up to 50 per cent of the previous year's earnings.

Dividends raised

Exxon Corporation, the world's largest oil company, has increased its quarterly dividend from 85 cents to 90 cents a share, reports Reuters from New York. Bethlehem Steel also announced an increase in quarterly payment, from 25 cents to 35 cents a share.

FOREIGN CURRENCY TRANSLATIONS

FASB considers rule change

BY DAVID LASCELLES IN NEW YORK

A HIGHLY controversial accounting rule governing the way U.S. companies report the effect of foreign currency fluctuations on their earnings is to be amended. The Financial Accounting Standards Board, the accounting profession's self-regulating body, yesterday announced it has decided to make changes in this rule, known as FASB 8, but it did not say when or how.

FASB 8, introduced in 1976, is designed to set a uniform standard for the way companies report foreign currency translations and the value of their foreign holdings expressed in U.S. dollars. Previously, the effects of currency changes were usually mentioned in footnotes, which the FASB said, gave a misleading impression.

But FASB 8 immediately ran into a storm of criticism because of its impact on company accounts. Some concerns reported: huge currency gains, others equally large currency losses, and all warned that this should be taken into account when their earnings were analysed.

Furthermore, these gains and losses were only paper ones since no actual transactions had taken place. Last December, the FASB published a study of FASB 8, which showed that many companies had changed their foreign-exchange management practices because of it. Some "refrained from making investments that were otherwise acceptable," it said, and others "accelerated their dividend payments from subsidiaries in weak currency countries to reduce exposure."

The study also showed that 84 per cent of companies contacted said FASB 8 "misleads management, stockholders and security analysts."

But against this, another report in January said that FASB 8 had had no significant effect on the share prices of the large multinational companies.

In yesterday's announcement the FASB said a Board meeting had concluded the rule would be reconsidered and that "a number of proposed changes" would be examined.

INTERNATIONAL CAPITAL MARKETS

Dollar Eurobond issues reach peak level

BY FRANCIS GHILES

FIVE NEW dollar-denominated Eurobonds were announced yesterday which, together with the two new issues last week-end, bring the number and amount of new dollar offerings to its highest level for many months.

The five issues include a \$150m offering for Sears Roebuck, a \$100m one for the Republic of Finland, a \$50m private placing for PepsiCo, a \$25m one with warrants for Redland Finance NV and what is believed to be the first Eurobond arranged by Bank America, a \$50m offering for General Telephone and Electronics, a major U.S. telephone company.

This spate of new issues follows the decision yesterday by Chase Manhattan Bank to cut its prime rate: this was just the confirmation which the market wanted that a decline in U.S. interest rates—whether temporary or not—was really taking place. Prices in the dollar bond secondary market were up again yesterday in active trading.

Sears Roebuck, the world's largest retailer and based in Chicago, is raising \$150m for three years. Terms of the issue, being arranged by Goldman Sachs, include a final coupon of 9 per cent and a price of 99 1/2.

The \$100m seven-year bullet issue for the Republic of Finland is being led by Hambros Bank. Final terms include a coupon of 9 1/2 per cent, a price of 99 1/2 and a yield of 9.60 per cent.

PepsiCo Capital Corporation NV, the Antilles-based subsidiary of the second largest producer of soft drinks in the U.S., is arranging a \$20m five-year private placing, through UBS (Securities). Other final terms include a coupon of 9 1/2 per cent and a price of par.

The fourth bonds, with warrants attached, is for Redland Finance, the subsidiary of and UK construction company, indicated coupon for this 12-year issue is 9 1/2 per cent and the bonds will have an average life of 10 years. Final terms on an earlier bond for the EIB \$100m bond include a coupon of 9 1/2 per cent and a price of 99.50. Some 50 per cent of this issue will be placed in Japan as was the case with a similar offering for the EIB last August. Joint lead managers are Nikko Securities—in charge of the placing in Japan—and Credit Suisse First Boston, which is playing the same role in Europe.

Mexico utility to raise \$300m

BY ROSEMARY BURR

THE MEXICAN state electricity agency, Comision Federal de Electricidad, is raising \$300m in the form of a two-tranche loan. One of the tranches carries a 12 years maturity, the longest granted by international banks to a Mexican borrower in the current cycle. The first \$150m tranche will be for 10 years with five years grace and carry a spread over the London interbank rate of 1 per cent while the second \$150m tranche, for 12 years will have a six-year grace period and carry a spread of 1 per cent. Six banks will jointly co-lead this fund-raising operation: Bank of Montreal, which is also acting as agent, Citicorp International, Credit Commercial de France, Fuji Bank, Morgan Guaranty Trust and Westdeutsche Landesbank.

RESULTS IN BRIEF

American Can suffers decline in earnings

NEW YORK—American Can experienced a drop in earnings last year to \$105.6m or \$5.32 per share, from \$114m, or \$5.76, despite a slight rise in fourth quarter net income from \$25.9m to \$28.6m.

Share of the metal container company, which is also involved in consumer paper and plastic products, chemicals, and reground and tape distribution, lifted its total sales in 1978 to \$9.9bn

from \$3.44bn, with a level of \$1.06bn in the final three months compared with \$980m in the same period of the previous year. Also reporting figures for the fourth quarter was Libbey-Owens-Ford, the glass and plastics concern, whose earnings per share advanced from \$1.25 to \$1.32, while Dover, the third largest elevator company in the U.S. and a maker of oil

field equipment, moved up from \$1.18 to \$1.53. At Acme-Cleveland, an automatic machine tools company, the per share figure increased from 54 cents to 88 cents. Varian Associates, in the electronics sector, showed little change at 44 cents a share for the quarter against 43 cents. The Armstrong-Cox, which makes building materials, topped in a sharp gain in its earnings per share for the whole of last year, to \$2.86 from \$1.55. Electrical equipment manufacturer Square D Company reported earnings of \$2.80 a share against \$2.47, while the 1978 result from Harvey Hubbell, which also operates in the electrical sector, showed a rise to \$3.51 from \$3.04. Bandag, a tread rubber company, lifted its figure per share from \$1.44 to \$1.70.

Sharp turnround at U.S. Steel

BY OUR NEW-YORK CORRESPONDENT

THE ELIMINATION of heavy losses suffered in the fourth quarter of 1977 has resulted in a startling turnround in profits of U.S. Steel, the largest American producer with around 25 per cent of the market. The company reported that fourth quarter earnings jumped from \$9m to \$94.6m or from 11 cents to \$1.11.

For the full year, U.S. Steel's earnings are also sharply higher at \$442m or \$2.85 a share, compared with \$197.9m or \$1.50. Throughout the second half of 1978, steel earnings have been improving as recent results from all the major steel manufacturers have demonstrated.

Even so, U.S. Steel said that its non-steel businesses, which include chemical, transportation and utility subsidiaries, contributed 88 per cent of operating income and only 27 per cent of total sales revenues. The implication of this is, as the company said, that steel earnings are "still depressed."

Bethlehem Steel profits surge

BY JOHN WYLES IN NEW YORK

GOOD PROSPECTS for continuing recovery in the U.S. steel industry were held out yesterday by the chairman of Bethlehem Steel Corporation when he reported fourth quarter earnings which were nearly four times higher than the year before.

Mr. Lewis Foy, chairman and chief executive, qualified his optimism by stressing the uncertainties about inflation, recession and the level of imports but he expected his company, nevertheless, to have a good year in 1979, "both as a ship-ment and a profit of view."

Cost cutting and closure of uneconomic plants have left the industry in reasonably good shape to weather recession in the view of many analysts. Bethlehem, in particular, is held to be in a much stronger position than it was following closures in 1977 which contributed to a net loss for the year of \$448.2m. In contrast, last year's net earnings totalled \$225.1m or \$5.15 per share on sales of \$6.18bn versus \$5.18bn.

In the fourth quarter, Bethlehem's profits rose from \$19.2m or 43 cents per share to \$74.5m or \$1.70 per share. Sales climbed from \$1.35bn to \$1.64bn.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details at these or other bonds see the complete list of Eurobond prices published on the second Monday of each month. Closing prices on January 31

Table with columns for U.S. DOLLAR, DEUTSCHE MARK, SWISS FRANC, and YEN STRAIGHTS. Each section lists various bond issues with columns for Issued, Bid, Offer, Cdn, Ccpn, C.Yield, and Yield.

AMERICAN QUARTERLIES

Table with columns for AMERICAN HOSPITAL SUPPLY, DART INDUSTRIES, DIAMOND INTERNATIONAL, DURE POWER, and TODD SHIPYARDS. Each section lists financial data for the fourth quarter and year.

Advertisement for SONATRACH, Société Nationale pour la Recherche, la Production, le Transport, la Formation et la Commercialisation des Hydrocarbures. Includes a large logo and text: U.S. \$570,000 Medium Term Loan. Managed by STANDARD CHARTERED MERCHANT BANK LIMITED. Provided by BADISCHE KOMMUNALE LANDESBANK INTERNATIONAL S.A., BARCLAYS BANK INTERNATIONAL LIMITED, THE NATIONAL BANK OF KUWAIT S.A.K., THE BANK OF YOKOHAMA, LIMITED, CLYDESDALE BANK LIMITED, SODITIC S.A., STANDARD CHARTERED MERCHANT BANK LIMITED, STATE BANK OF INDIA.

WHOLESALE VEHICLE FINANCE LIMITED

£100,000,000

shareholder funds, acceptance credit and overdraft facilities



project initiated, developed and effected

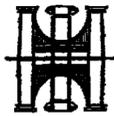
in conjunction with

National Enterprise Board and BL Cars Limited

by

N. M. ROTHSCHILD & SONS LIMITED

January 1979



HUNGARIAN INTERNATIONAL BANK LIMITED
LONDON

Five Years at a Glance

	14 months to 30th Sept., 1974	Year to 30th Sept., 1975	Year to 30th Sept., 1976	Year to 30th Sept., 1977	Year to 30th Sept., 1978
	£	£	£	£	£
Capital	1,000,000	1,000,000	1,500,000	3,000,000	4,000,000
Reserves	24,380	151,302	295,644	584,419*	682,733†
Subordinated Unsecured Loan Stock 1985	2,000,000	2,000,000	1,500,000	1,500,000	1,500,000
Deferred Tax		166,106	319,863	689,505	934,554
Pre-tax Profits	52,980	433,922	484,380	981,518	1,421,305
After Tax Profits	24,380	206,922	224,342	578,775	838,314
Total Assets	24,375,092	44,036,129	60,904,882	86,501,244	112,639,208

*after capitalisation of £150,000 of reserves
†after capitalisation of £500,000 of reserves

Companies and Markets INTL. COMPANIES and FINANCE

SWISS BANKS

Facing up to an uncertain year

BY BRIJ KHINDARIA AND JOHN WICKS

SWISS BANKS face a difficult year marked by high risks which could dampen the Swiss economy, according to a report by Credit Suisse, one of the "big three" Swiss banks. The change of direction in Swiss monetary policy brought about last November "has done something to disperse the storm clouds," the bank stresses. But it adds that prospects overall this year for the banking sector are not favourable. In a warning to critics of the Swiss banking system who say that the banks are making too much money, Credit Suisse says opponents should not forget that "Switzerland's high standard of living is attributable in large measure to the cheap and copious finance which the banks have traditionally made available to Swiss companies." Reviewing the state of the banking industry in 1978 and prospects for this year, the report says it is "disquieting that the bank profit margins, which constitute an important cushion against risks, are continuing to narrow. This process, if continued, could cause

the bank financing operations to become less aggressive, which in turn could lead to employment problems." In terms of business volume, the sector's performance in 1978 was satisfactory, but the operating environment changed to one of "political hostility and a sluggish economy." The aggregate assets and liabilities

growth of inter-bank deposits was down by more than a half on the comparable 1977 level. Swiss banks granted more export finance credits and similar high-risk facilities to supplement traditional export credits backed by risk guarantees. "Although the danger of losses on such operations cannot be precisely quantified

Credit Suisse's views on the outlook for Swiss banks are mirrored by Bianca del Gottardo, of Lugano. Foreign business is likely to set the pace in 1979 with the bank expecting no noticeable expansion in domestic business. Results for 1979 will also depend largely on interest margins, according to managing director Fernando Garzoni. These were currently narrow, so that all Swiss banks were suffering from an interest squeeze. Income from commissions should rise this year, but due to the foreign exchange "value" of the Swiss franc overall income from this source was likely to be at about last year's levels. For its part the bank's business had profited, though not substantially, from the lifting last week of restrictions on non-resident purchases of Swiss-franc securities. Overall Banca del Gottardo views its development in 1978 as "satisfactory." The balance sheet total would have been about SwFr 180m to SwFr 200m higher had exchange rates been stable.

Because of continued pressure on margins the Swiss banking sector is having to adopt a low key stance to its financing operations this year. Credit Suisse, one of the Swiss "big three," finds the trend disquieting

of the 71 largest institutions rose by 3.5 per cent to SwFr 298.5bn during the first nine months of 1978 compared to a 4.9 per cent increase in the same period of 1977. The inflow of deposits was substantial at SwFr 9.4bn, but failed to match the high level of the previous year. Besides currency developments a major factor was an increase in liquidity which brought a slump in Swiss interest rates. The

there has certainly been an overall increase in risks, Credit Suisse warns. Issuing activity and conversions were brisk, and bond offerings by foreign borrowers were also higher. But because of high liquidity and a strong Swiss franc, redemptions were also high and the net amount raised on the capital market last year amounted to about SwFr 4.3bn, which is well below the 1977 figure.

Honeywell and AEG terminate Olympia talks

By Terry Dodsworth in Paris

THE FRENCH general purpose computer company, CII Honeywell Bull, confirmed yesterday that it had held talks with AEG-Telefunken about the future of the German company's Olympia Werke typewriter division. These discussions had now been terminated without any result. The French group added that the negotiations related to the "convergence of data processing products with office automation products" in a sector of industry which was expected to show strong growth during the next few years. CII has shown considerable interest recently in industrial sectors such as word processing where technological developments overlap with its own particular expertise. It has recently signed an agreement with CPT Corporation of the U.S. under which it can purchase CPT's word processing equipment and sell it, modified or unmodified, under its own label. The company says there is no intention at present of resuming talks with AEG. In recent weeks the German Press has been speculating heavily on the possibility of a major disposal by AEG. The electrical manufacturer on the continent after Siemens and Philips, is known to have financial problems after heavy losses on power station contracts. AEG has not paid a dividend since 1973. AEG's subsidiary, Olympia Werke has a nominal capital of DM 130m (\$69.9m). Its 1977 sales totalled DM 912m but because of a loss of about DM 30m in table computer operations that year, its 1977 net profits dipped to DM 3.4m.

More lay-offs at RIV

By Our Paris Staff

FURTHER HEAVY losses at Renault Industrial Vehicles, the French commercial vehicle group which recorded a deficit of Fr 250m (\$58m) in 1977, has forced the company to announce another 873 redundancies to follow the 950 declared in December. These new measures mark the end of Renault's hopes that the truck market in Europe would pick up sufficiently to allow the reorganisation of the group, from the Savien and Berliet companies, while keeping the labour force largely intact. The latest round of redundancies, from a workforce of about 38,000, will affect white-collar workers only. Renault is hoping to achieve as many as possible by voluntary methods. Losses for 1978 will be higher than in 1977, and it has been suggested that they may reach FFr 350m.

Enskilda Bank beats forecast

BY WILLIAM DULLFORCE IN STOCKHOLM

SUBSTANTIALLY beating the profit forecast it gave at the eight-month stage Skandinaviska Enskilda Banken shows pre-tax earnings of Skr 810m (\$187m) in its preliminary report for 1978. This represents an improvement of 32.9 per cent over 1977 compared with the forecast of 20 per cent made in October. The Board proposes to increase the shareholders' dividend by Skr 1 to Skr 9 a share, making a total dividend payment of Skr 136.9m. The main reason why the bank overshoot its forecast is the swift rise in the volume of business in the last four months. Another factor contributing to the good profit performance over the year as a whole has been the management's success in curbing costs. While income climbed by 17.5 per cent to Skr 1.95bn, costs

rose by only 8.5 per cent to Skr 1.14bn. The balance sheet grew by 13.3 per cent over the year to Skr 52bn (\$11.9bn). Deposits in Swedish Kronor rose by Skr 5.4bn or 22.8 per cent to Skr 29.2bn, at the same time as the bank's lending increased by only 5 per cent, or Skr 1.16bn to Skr 24.2bn. There have been restraints on bank lending in line with the Swedish Government's tight monetary policy during the year. Net extraordinary costs amount to Skr 46.7m of which Skr 24.2m is a payment to the employees' profit-sharing trust. The trust will be able to buy bank shares equivalent to about Skr 3,600 for each employee. The final result before appropriations and tax comes out at Skr 763m, an improvement of almost 40 per cent over

1977. The Skandinaviska Enskilda group as a whole, including its finance and property subsidiaries and those foreign units in which it has a majority holding, returned pre-tax earnings of Skr 953m for 1978, an increase of 34.5 per cent. The four managing directors signalled more aggressive policies after a meeting in Gothenburg earlier this month. The bank had been deliberately following a defensive line, concentrating on cutting back costs. Mr. Jacob Palmstierna, one of the managing directors, said it had lost ground within the commercial sector and had to move on to the attack. Among the new initiatives is a new form of lending aimed at companies seeking capital for innovations and technical development. The bank also raised its interest rate for large deposits by 0.5 per cent.

Slack turbine demand hits earnings at Borsig

BY LESLIE COLTIN IN BERLIN

BORSIG, the West Berlin engineering company, is paying a 12 per cent dividend for the year ended September 30. Profits were DM 4.38m on a virtually constant turnover of DM355m. Previous year profits were DM 10.2m. The company, a subsidiary of Deutsche Babcock, calls the result "satisfactory" in the light of stagnating domestic demand for its steam turbine equipment and the impact of the dollar's fall on the 65 per cent of production which is exported. New orders rose 14 per cent to DM 362m in 1977-78 and Borsig expects a "moderate" rise in turnover for the current financial year. The company says its turbo-compressors were especially successful in the Soviet market, where it is building two of the largest carbon dioxide liquefac-

tion plants worth DM 72m with Davy Powergas as the main subcontractor. Turbo-compressors are being delivered to Romania, the UK, Nigeria and Argentina. Sales to the Soviet Union of Borsig giant shut-off ball valves for natural gas pipelines fell so that other markets in the Middle East, Algeria, Mexico and Australia have had to be tapped. Borsig had 3,097 employees, 5 per cent less than in the previous year, while labour and social costs rose 2 per cent to DM 127m. Investments fell last year to DM 11m and the company says that there is no sign of a basic improvement in domestic demand. This and the currency situation will make it difficult to improve profits which are an "essential prerequisite" for expanding investments.

Volvo to increase production

By Our Nordic Editor

VOLVO INTENDS to raise its car production this year to 315,000 or 320,000. This compares with an output of 262,500 cars in 1978, and represents an increase of at least 20 per cent. The company also announced yesterday that it was negotiating a merger of its forestry machinery operation with that of another Swedish manufacturer, Oestbergs Fabrik. The third Swedish producer of forestry machinery, Kockums, the shipbuilding group which is in process of being taken over by the state, would probably join the new group later in the year, it was said. The intention is to concentrate development, assembly and central marketing operations in Oestberg, while the main components—engines, transmissions and hydraulic systems, axles and cabins—would be delivered by Volvo BM. The two announcements appear to be part of the Volvo Board and management's campaign to retain the initiative after the defeat by shareholders last week of their plan to sell 40 per cent of the company to Norway. On Tuesday, Mr. Pehr Gyllenhammar, managing director, held a Press conference in Oslo to assure the Norwegians that Volvo intended to continue the co-operation projected with their aluminium and plastic component manufacturers, and to pursue development of a new car together with them. Volvo now expects to produce 230,000-235,000 cars in the 240/260 series and 85,000 of the Volvo 343 and Volvo 86 models made in Holland during 1979. The Dutch operation has been making heavy losses and Volvo has said that it would need to reach an output of about 100,000 before it could hope to break into profit.

Ruhrkohle sales improve on steel sector upturn

BY ADRIAN DICKS IN BONN

RUHRKOHLE, the giant of the West German coal industry, experienced a distinct improvement in sales in 1978 which should help it to consolidate its financial position after several difficult years. Issuing preliminary 1978 results in tongue terms, the Ruhrkohle Board announced that overall sales had risen by 10.1 per cent to 64.1m tonnes of coal and coke. Stocks of unsold coal at the pithead—a heavy financial burden on the industry since the recession of 1975—fell by one-fifth to 19.5m tonnes at the end of last month.

The upward turn in the steel industry appears to have been the single most important reason for Ruhrkohle's improvement, which the company says exceeded all its expectations. Sales to the steel sector were up by 13 per cent to 33m tonnes, although about 500,000 tonnes more would have been sold in West Germany but for the stoppage in the industry in December. Sales to the electricity industry were up by 12.7 per cent to 23.6m tonnes, while coal and coke exports rose by a quarter to 18.8m tonnes.

Dutch publishers expect profits expansion

BY CHARLES BATCHELOR IN AMSTERDAM

TWO DUTCH publishing groups which plan to merge later this year, Elsevier and Nederlandse Dagbladunie (NDU) report sharply higher 1978 profits expectations. Elsevier expects 1978 profits of Fl 28m (\$14m), an increase of 23 per cent, while NDU expects profits to almost double to Fl 20m. Elsevier-NDU, as the holding company will be known after the merger, plans to pay a cash dividend of Fl 8 per share as well as 9 per cent in tax free shares. This payment will be charged to the 1978 accounts but will count as a dividend for 1978. The company expects profits per share to rise again in 1979 despite the increase in capital. One of the priorities of the new group will be the development of a strong presence in the

U.S., the Boards of the two companies report. Elsevier has already set up a new division to coordinate its activities in North America. After the U.S. market Elsevier-NDU intends to develop in West Germany, Britain and France. The Dutch language area has become "too small to allow further expansion." Shareholders have until March 1 to exchange their existing shares for those in the new company. Sales by Elsevier rose by 9 per cent to Fl 645m (\$322m) in 1978 while NDU turnover rose 14 per cent to Fl 475m. Van Gelder Papier, the troubled Dutch paper manufacturer, returned to profit in 1978 after three years of losses. The company made net profit

of Fl27.6m (\$13.8m) compared with a loss of Fl27.7m in 1977. However, it expects profits in the current year to fall, according to Mr. Keith Provo, executive chairman. The reasons for the improvement in 1978 were lower raw material prices, better use of capacity, improved efficiency and the effect of the decline of the dollar on material costs. Costs are rising again though and the overcapacity in the industry means this cannot be passed on in higher prices. Van Gelder recorded an operating profit last year of Fl25m after making a loss of Fl12.1m in 1977. The net result includes extraordinary profit of Fl17.3m after a decision by the Dutch Supreme Court had allowed the company to draw down provisions made for water

pollution costs. Sales fell Fl133m to Fl131m (\$406m). This figure excludes the Fl136m turnover of a factory in Renkum, near Arnhem, in which Van Gelder has an 80 per cent shareholding. Centrale Rabobank's Fl 150m issue, bearing 8.5 per cent and spread over 10 years has been priced at 99.5. Dealers said the bank would have "no problems" marketing the issue although the price was generally less than anticipated. Some traders had expected a price of par. Trading in the Fl 500m Government issue has been dominated by market professionals in the past week. The 10 year offering at 81 per cent has slipped in price to 99.3 from 100.5 at issue.

Handwritten signature or stamp in Arabic script.

INTERNATIONAL COMPANIES AND FINANCE

Toray streamlining aids recovery from losses

BY RICHARD HANSON IN TOKYO

TORAY INDUSTRIES, Japan's largest maker of synthetic fibres, reported a sharp turnaround on a consolidated basis to a net profit of ¥14,640m (1733m) in the half-year to September 30 after suffering a loss of ¥5,970m a year ago.

For the full year, they should total some ¥3000m compared with ¥454.4bn in 1977-78. The company is forecasting that net profit in the second half of the year, ending March, will total about ¥5bn. It notes that the real profit from its business will actually show an improvement if first half extraordinary income and foreign exchange translation gains are excluded.

When the dollar dropped below ¥190. In the second half, this is expected to turn into a loss as the U.S. currency has regained some of its strength. Fibre and textile sales, which account for more than 70 per cent of the total, were up by 2.5 per cent and plastic sales by 12.5 per cent (the total) gained 9.1 per cent. The company reported continued weakness in the chemicals sector, down 22.7 per cent.

Philips India to dilute its foreign holdings

By K. K. Sharma in New Delhi

PHILIPS INDIA, a subsidiary of the Dutch electronics multinational, is to reduce its foreign equity holdings from 60 per cent to 40 per cent, after the rejection of its schemes for diversification by the Indian Government.

In view of this, the company is required to dilute its non-resident equity holdings under the terms of the Foreign Exchange Regulation Act which stipulates that "Indianisation" of ownership of most non-Indian companies to the extent of 60 per cent.

Philips has been allowed to sell more than 2.1m shares of Rs10 each held by the parent concern in Holland to Indians at Rs14 (31.75) per share.

It has also been permitted to make a fresh issue of 1.7m shares of Rs10 at a premium of Rs2 to Indians to enable it to dilute its foreign holdings.

The company will be renamed Peico Electronics and Electricals, but will continue to receive support from Philips in Holland. It will also carry on using the Philips trade mark and emblem on its products.

In 1977, the last full year for which Philips India has announced its results, the company's pre-tax profits rose by 32 per cent to Rs51m. But this still left its profitability below the level of 1971, when the figure before tax totalled Rs116m on turnover of Rs466m.

MORE SHARES FOR MALAYSIA BY 1990

Coming of age difficulties

BY WONG SULONG IN KUALA LUMPUR

THE YEAR 1990 will be a very important one for Malaysians. The Government has promised that by then, the Bumiputras (indigenous people, mainly Malays) who make up 56 per cent of the population, will own at least 30 per cent of the equity of the corporate sector.

Currently, Bumiputra individuals and institutions hold probably not more than 10 per cent of the equity, and with only 12 years to go, many people are nervously asking whether the target can be reached.

Having dangled this magical and arbitrarily-derived figure of 30 per cent in front of the Malays, the Government will find itself in a difficult political situation if its arithmetic does not add up.

To most Malays, the 30 per cent mark has come to represent the minimum share in the business world, long dominated by the Malaysian Chinese and foreigners.

Foreign decline

By 1990, according to Government projections, the non-Malay ownership of the corporate sector will be 40 per cent, and the foreign share will decline from 60 per cent to 30 per cent.

Although the increase in Malay equity ownership is one of the main planks of the new economic policy, the Government apparently does not possess the statistics to show an up-to-date picture of the changes in Malay ownership in the various economic sectors.

Of late, there has been considerable publicity over the abuses arising from the issue of

shares to Malays. These abuses are not new, but the current debate may indicate their current spread. The trouble is that the authorities have yet to come out with an effective way to eradicate the malpractices.

The Government has also studied the possibility of setting up a separate stock exchange where buying and selling of shares is confined to Bumiputras. This, however, was found to be impractical.

There is also considerable dissatisfaction over the allotment of shares, for it is found that Malays with the right political and family connections are receiving heavy amounts of much sought-after shares.

In answer to charges of favouritism, the Government has set up the Bumiputra Investment Foundation, headed by Dr. Mahathir Mohamed, with a Deputy Prime Minister, with a paid-up capital of 200m ringgits (\$45.91m). Its role is to buy up reserved shares, and in turn set up unit trusts to sell its units to the small Malay investors, particularly those in the rural areas.

Since it was launched last April, the Foundation has invested nearly 50m ringgits in seven public companies—Sime Darby, East Asiatic Malaysia, Kuala Lumpur-Kepong, Gold Coin, Chemical Company of Malaysia, Perlis Plantations and Malaysian Tobacco Company.

These are blue chip counters, and the current market value of its holdings in these companies is probably twice the original investment. The Foundation hopes to start its first unit trust by the end of the year.

The authorities feel that the rural Malays, particularly those in Government-sponsored land development schemes, have substantial savings that could be tapped for corporate investment—but mobilising such funds is difficult as these Malays have only a vague idea about shares and how unit trusts operate.

The economic import of the Government's sponsored Malay institutions is being increasingly felt in the private sector. The two largest locally-incorporated banks—Malayan Banking Berhad and Bank Bumiputra—are under Government control.

In control

Pernas, the Bumiputra Foundation, the Pilgrims Fund Board, and other agencies, hold between 20 per cent and 25 per cent of Sime Darby—which is currently bidding for Guthrie Corporation—and as a group, they would ultimately control over the conglomerate. Pernas also has a 71 per cent stake in Malaysian Mining Corporation which controls the largest and most profitable tin mines in the country.

As the Malays move swiftly into major corporations, the Government is feeling confident enough to relax some of its demands on the private sector. Recently, Mr. Mahathir assured companies which find difficulties in selling their shares to Malays (because they are new or not making profits), or in recruiting sufficient Malay workers, that adequate time would be given for them to sort out these difficulties.

Record New Straits Times profit

BY OUR KUALA LUMPUR CORRESPONDENT

MALAYSIA'S largest newspaper group, the New Straits Times Berhad, hosted its pre-tax profits by 45 per cent last year to a record 14m ringgits (\$6.4m) and expects further growth in 1979.

The sharp jump in profits, set against a more modest 15 per cent rise in sales to 59.5m ringgits, showed the group's ability to raise its circulation and advertising revenue even when markets were stable, said Mr. Junus Sudin, the chairman, in the annual report.

The benefits of the Group's second printing plant at Butterworth in north Malaysia would be evident during the second half of 1979, he said, and the

Group plans to build another plant in Johore in the south to improve printing and distribution.

Reviewing last year's results, he said the Group's newspapers all showed a big improvement in circulation and advertising. The New Straits Times, which circulates by 13,700 copies to 184,000, while its Sunday edition rose by 11,800 copies to 230,700.

Its Malay language daily, Berita Harian, registered an even more impressive gain, with circulation rising by 15,200 copies to 91,000, while the Sunday edition added 32,000 copies to 151,000.

Circulation of its fledgling financial daily, Business Times, rose by another 1,800 copies to

4,900. During the year ended August, Business Times managed to cut its losses to 992,000 ringgits, and the paper is expected to make a modest profit this financial year.

The group ceased publication however: of its Malay business magazine, Pusanjaga, which showed no sign of attracting sales and advertising, despite four years of existence.

During the year, the group's capital was increased from 13.8m to 23m ringgits through a rights and scrip issue. The final dividend is 25 per cent. Net earnings per share rose from 18 cents to 26 cents, while net dividends increased from 14 cents to 20 cents.

Israel Aircraft Industries exports reach \$300m

BY L DANIEL IN TEL AVIV

EXPORTS by the Government-owned Israel Aircraft Industries totalled more than \$300m last year, half of its total sales, and the company says it now has orders on hand for at least two years.

In 1979, IAI expects to export some \$300m worth of its Kfir fighter aircraft, which use American engines from General Electric. Last week, the Austrian federal chancellor, Dr. Bruno Kreisky, said that his country may assemble Kfir fighters, while IAI is also holding talks with other countries on possible sales.

Development budget for 1979-80 is close to \$45m, though this does not include any research which may be conducted on a third generation fighter, the Arye, a project which is currently awaiting a decision within the next few months by the Government on whether to go ahead on it.

At the end of last year, IAI employed 20,000 people in its various plants compared with 18,700 a year earlier.

The improved results reflect both a continuous growth in sales, mostly to foreign markets, and a substantial increase in profitability.

achieved total sales of \$1195.4m (\$11.2m) in the first half of the current fiscal year. For the whole of 1977-78 total sales reached \$249m.

Profits in the six months to last September amounted to \$112.1m (\$690,000), or four times those recorded for the full 1977-78 year.

Earnings per share for the latest interim period moved up to \$4.72 from \$1.17 for all of the previous year.

The Elron group of companies,

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The Elron group of companies,

NOTICE OF REDEMPTION

Ente Nazionale per l'Energia Elettrica-ENEL

(Italian National Electric Energy Agency)

7 1/2 Per Cent 15-Year Guaranteed Bonds of 1970

Due March 1, 1985

NOTICE IS HEREBY GIVEN, on behalf of Ente Nazionale per l'Energia Elettrica-ENEL, that on March 1, 1979, \$5,900,000 principal amount of its 7 1/2 Per Cent 15-Year Guaranteed Bonds of 1970 will be redeemed out of moneys to be paid by it to Dillon, Read & Co. as Principal Paying Agent, pursuant to the mandatory, annual redemption requirement of said Bonds and to the related Authenticating Agency Agreement and Paying Agency Agreement, each dated as of March 1, 1970. The Chase Manhattan Bank (National Association), as Authenticating Agency, has selected, by lot, for such redemption the Bonds bearing the following serial numbers:

BONDS SELECTED FOR REDEMPTION

Table listing bond serial numbers for redemption, including columns for bond numbers and principal amounts.

NOTICE

To the holders of the Floating Rate London Dollar Certificates of Deposit due August, 1982 of:

DOW BANKING CORPORATION

108, Fenchurch Street, London, E.C.3

We hereby certify that the rate of interest payable on the above-mentioned Certificates of Deposit for the Interest Period beginning on 2nd day of February, 1979, is 11 per cent per annum and the interest Payment Date relating thereto is 2nd day of August, 1979.

EUROPEAN BANKING COMPANY LIMITED

Weekly net asset value on January 29th 1979

Tokyo Pacific Holdings N.V. U.S. \$66.17

Tokyo Pacific Holdings (Seaboard) N.V. U.S. \$48.21

Listed on the Amsterdam Stock Exchange

Information: Pearson, Halving & Pearson NV Horengracht 214, Amsterdam

VONTobel EUROBOnd INDICES

145.76-100%

Table showing Vontobel Eurobond indices for various bond types and currencies.

CLIVE INVESTMENTS LIMITED

1 Royal Exchange Ave., London EC3V 3LU. Tel: 01-253 1101. Index Guide as at January 23, 1979 (Base 100 on 4.1.77)

Table showing Clive Investment Limited portfolio performance metrics.

Nacional Financiera, S.A.

7 1/2 External Loan 1982

Singer & Friedlander Ltd., announce that the redemption instalment of U.S. \$900,000 due 1st March 1979 has been met by purchases in the market to the nominal value of U.S. \$128,000, and by a drawing of Bonds to the nominal value of U.S. \$128,000.

The distinctive numbers of the Bonds, drawn in the presence of a Notary Public are as follows:

Table listing distinctive numbers of bonds for Nacional Financiera, S.A.

On the 1st March 1979 there will become payable upon each Bond drawn for redemption, the principal amount thereof, together with accrued interest to said date at the office of: Singer & Friedlander Limited, 20, Cannon Street, London EC4M 6XE or with one of the other paying agents named on the Bonds.

Interest will cease to accrue on the Bonds called for redemption on or after 1st March 1979. Bonds so presented for payment must have attached all coupons maturing subsequent to 1st March, 1979.

20, Cannon Street, London EC4M 6XE 1st February 1979

ALLEN HARVEY & ROSS INVESTMENT MANAGEMENT LTD.

45 Cornhill, London, EC3V 3PB. Tel: 01-253 6314. Index Guide as at January 23, 1979

Table showing Allen Harvey & Ross investment management portfolio performance metrics.

Large advertisement for U.S. \$10,000,000 Medium Term Loan, managed by The National Bank of Kuwait S.A.K., provided by Banque Nationale de Paris O.B.U. Bahrain, and other financial institutions.

Advertisement for Ente Nazionale per l'Energia Elettrica-ENEL bonds, including details on redemption procedures and contact information for Dillon, Read & Co.

Companies and Markets

Wall St. reacts 8.2 more in early trading

INVESTMENT DOLLAR

PREMIUM \$2.60 to \$1.82 (92%) Effective \$1,990 47% (47%) CONCERN About conditions in Iran and profit-taking overshadowed a cut in the prime rate, and stock prices on Wall Street declined in fairly active early trading yesterday.

The Dow Jones Industrial Average retreated 8.22 more to 843.56, while the NYSE All Common Index receded 39 cents to 850.21 and declines outscored gains by about a five-to-three ratio.

Closing prices and market reports were not available for this edition.

Trading volume expanded to 19.11m shares from Tuesday's level of 16.4m.

Analysts said the failure of stock prices to rise after Chase Manhattan Bank cut its Prime Rate to 11 1/2 per cent indicated to many traders that the market was vulnerable and they cashed in on their January gains.

However, a report that U.S. leading indicators declined in December by 0.5 per cent, the same amount as in November, was regarded as mildly bullish, since it could indicate an easing of inflationary pressures.

NEW YORK

Table of stock prices for various companies in New York, including Abbott Labs, Alcoa, Amstar, and others.

Canada

Tuesday's reactionary trend continued yesterday morning in fairly busy trading. The Toronto Composite Index was 5.1 lower at 1,367.7 at noon, while Oil and Gas declined 13.5 to 1,575.7. Golds 10.9 to 1,511.5 Metals and Minerals 6.0 to 1,227.2. Banks 2.18 to 322.36 and Papers 0.45 to 158.89.

Among Oil shares, Hudson's Bay Oil needed 1/2 to C\$53. Petrofina Canada C\$1 to C\$24 and Dome Petroleum C\$1 to C\$27.

Bell Canada, the most active Toronto industrial, gained 1/2 to C\$61.11. 47 shares. Norel rose 1/2 to C\$17.7 but Inco shed 1/2 to C\$21.1.

Tokyo

After Tuesday's mild setback the stock market put on a fresh show of strength in active dealing yesterday.

The Nikkei Dow Jones Average advanced 26.70 to a new record high of 6,212.78 and the Tokyo SE index moved ahead 1.12 to 462.97, while volume reached 510m shares up from the previous day's figure of 32m.

Energy-related stocks, such as Oil Refiners, were hunted again on expectations that Iran's political unrest would extend over a long period.

Arabian Oil rose 790 to Y3,190

Germany

Share prices closed mixed after further cautious trading, with Banks generally registering losses but Industrials and Electricals managing some gains.

Energy-related stocks, such as Oil Refiners, were hunted again on expectations that Iran's political unrest would extend over a long period.

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Stocks were mostly lower in light trading, with the Trans situation continuing to overhang the market and adverse domestic

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WORLD STOCK MARKETS

Real Estate stocks, such as Hecla Real Estate, up 1/2 to Y67. Hecla was actively bought on the report by the National Land Agency that the nation's land price rose an average of 5.1 per cent in 1978 from the previous year's average. The agency said in the report that the land price rises in and outside the three major cities of Tokyo, Osaka, and Nagoya were very sharp over the year.

Speculative Chemicals also advanced. Rakem Chemical added Y190 to Y2,560 and Toyama Chemical Y32 to Y88.

Some export-oriented shares (improvement on the yen's fall against the dollar on the foreign exchange market. Matsushita Electric Industrial moved ahead Y10 to Y272, Pioneer Electronic Y20 to Y230 and Topy Kogyo Y175 to Y193, but Soy shed Y20 to Y1,670.

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INDICES

NEW YORK - DJW INDEX

Table showing DJW Index values for various dates from Jan 30 to Jan 31, 1979.

STANDARD AND POORS

Table showing Standard and Poors index values for various dates from Jan 30 to Jan 31, 1979.

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EUROPEAN OPTIONS EXCHANGE

Table showing European options exchange data for various series and dates.

BASE LENDING RATES

Table showing base lending rates for various banks and currencies.

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BASE LENDING RATES

Companies and Markets

Milk quotas warning to farmers

BRITISH DAIRY farmers can expect no special concessions in the European Commission's plans to attack mounting surpluses and rising expenditure on the milk sector...

EEC sugar exports lower

THE EEC Commission yesterday authorised the export of 49,250 tonnes of white sugar in its weekly tender compared with 58,000 tonnes last week...

Copper prices top £90 on the London market

COPPER PRICES surged to new peaks on the London Metal Exchange yesterday breaking through the £90-a-tonne barrier for the first time since March 1977...

French crops hit by frosts

SEVERE FROSTS in the Paris Basin region of France have raised fears that extensive areas of autumn-planted grain and seed crops may have been killed...

Cocoa prices decline continues

COCOA PRICES declined on the London futures market yesterday continuing the fall which was briefly interrupted by a technical rally earlier this week...

Coal miners set record

MINERS AT Shirebrook colliery near Chesterfield, Derbyshire, had yesterday produced 120 tonnes of coal since the beginning of the year...

Turning sea shells into hard cash

GUYANA is planning to turn more than 5m tons of sea shell deposits in the north west into a multi-million dollar enterprise for the production of agricultural lime and, possibly cement...

Currencies cloud farm review

THE ANNUAL wrangle over farm prices, which began formally yesterday, will see the EEC Commission's presentation of proposals for a price freeze in 1979-80...

BRITISH COMMODITY MARKETS

Table with columns for Commodity, Unit, and Price. Includes sections for BASE METALS, COPPER, and WHEAT.

AMERICAN MARKETS

Table with columns for Commodity, Unit, and Price. Includes sections for COPPER, SILVER, and GOLD.

PRICE CHANGES

Table with columns for Commodity, Unit, and Price Change. Includes sections for Metals, Rubber, and Soyabean Meal.

EUROPEAN MARKETS

Table with columns for Commodity, Unit, and Price. Includes sections for Wheat, Sugar, and Coffee.

Take a fresh look at Commodity futures!

THERE'S NEVER BEEN A BETTER TIME for re-appraisal for examining the advice, speed and quality of information that trading decisions are based on...

INDICES

Table with columns for Index Name and Value. Includes sections for FINANCIAL TIMES, DOW JONES, and MOODY'S.

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Table with columns for Commodity, Unit, and Price. Includes sections for Beef, Pork, and Lamb.

Forum to seek development

INDUSTRY and trade unions in Nottinghamshire have joined forces with the county council to form a body to encourage commercial and industrial development...

PUBLIC NOTICES

DEPARTMENT OF TRANSPORT: Tolls and Excise Plans for 1979. HERVEY GIVES NOTICE that he has made a statement to the House of Commons...

WOL FUTURES

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Forum to seek development

INDUSTRY and trade unions in Nottinghamshire have joined forces with the county council to form a body to encourage commercial and industrial development...

Peterborough to have new hotel

SAXON INN Motor Hotels-part of the Furness Withy Group-has agreed in principle with Peterborough Development Corporation to build a 100-bedroom hotel in Peterborough...

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Aberdeen Unit Trust, Aberdeen Overseas Unit Trust, Aberdeen Income Unit Trust, etc., with columns for name, manager, and other details.

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OFFSHORE AND OVERSEAS FUNDS

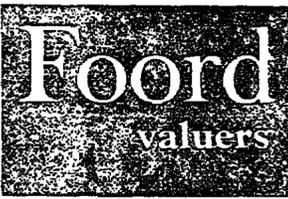
Table listing various offshore and overseas funds such as Aberdeen Unit Trust, Aberdeen Overseas Unit Trust, Aberdeen Income Unit Trust, etc., with columns for name, manager, and other details.

INSURANCE AND PROPERTY BONDS

Table listing various insurance and property bond companies and their products, including Abbey Life Assurance Co. Ltd., Allianz Life Assurance Co. Ltd., etc.

Table titled 'CORAL INDEX: Close 467.472' and 'INSURANCE BASE RATES' showing various rates and indices.

Table titled 'NOTES' containing various financial notes and commentary.



FT SHARE INFORMATION SERVICE

FOOD, GROCERIES—Cont.

BRITISH FUNDS

Table of British Funds with columns for Name, Price, Dividend, and Yield.

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Table of American Funds with columns for Name, Price, Dividend, and Yield.

INTERNATIONAL BANK

Table of International Bank Funds with columns for Name, Price, Dividend, and Yield.

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ENGINEERING—Continued

Table of Engineering with columns for Name, Price, Dividend, and Yield.

Hire Purchase, etc.

Table of Hire Purchase, etc. with columns for Name, Price, Dividend, and Yield.

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Table of Drapery and Stores with columns for Name, Price, Dividend, and Yield.

BEERS, WINES AND SPIRITS

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BUILDING INDUSTRY, TIMBER AND ROADS

Table of Building Industry, Timber and Roads with columns for Name, Price, Dividend, and Yield.

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Table of Electrical and Radio with columns for Name, Price, Dividend, and Yield.

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Table of Hotels and Caterers with columns for Name, Price, Dividend, and Yield.

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Table of Industrials (Misc.) with columns for Name, Price, Dividend, and Yield.

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SUBSCRIPTIONS: Copies obtainable from newspapers and bookshops worldwide or on regular subscription from Subscription Department, Financial Times, London.

CHEMICALS, PLASTICS

Table of Chemicals, Plastics with columns for Name, Price, Dividend, and Yield.

ENGINEERING MACHINE TOOLS

Table of Engineering Machine Tools with columns for Name, Price, Dividend, and Yield.

FOOD, GROCERIES, ETC.

Table of Food, Groceries, Etc. with columns for Name, Price, Dividend, and Yield.

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INDUSTRIALS—Continued

Table of industrial stocks including companies like British Petroleum, Shell, and ICI, with columns for stock price, price change, and volume.

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PROPERTY—Continued

Table of property-related stocks including companies like British Land, British Property, and British Waterways.

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Table of finance and land-related stocks including companies like British Bankers' Association, British Finance, and British Land.

NEW JAPAN SECURITIES logo and contact information for Tokyo, Japan.

MINES—Continued AUSTRALIAN

Table of Australian mining stocks including companies like Anglo-Australian, Anglo-American, and Anglo-Asian.

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Table of tin stocks including companies like Anglo-Tin, Anglo-Tin, and Anglo-Tin.

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Table of copper stocks including companies like Anglo-Copper, Anglo-Copper, and Anglo-Copper.

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Table of miscellaneous stocks including companies like Anglo-Miscellaneous, Anglo-Miscellaneous, and Anglo-Miscellaneous.

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Table of gold stocks including companies like Anglo-Gold, Anglo-Gold, and Anglo-Gold.

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Notes section providing details on various financial instruments and their terms.

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Table of newspaper and publisher stocks including companies like British Newspapers, British Newspapers, and British Newspapers.

PAPER, PRINTING ADVERTISING

Table of paper, printing, and advertising stocks including companies like British Paper, British Paper, and British Paper.

TOBACCOS

Table of tobacco stocks including companies like Anglo-Tobacco, Anglo-Tobacco, and Anglo-Tobacco.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land-related stocks including companies like British Trusts, British Trusts, and British Trusts.

PROPERTY

Table of property-related stocks including companies like British Property, British Property, and British Property.

INSURANCE

Table of insurance stocks including companies like British Overseas Airways, British Airways, and British Caledonian.

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Andreotti quits as majority collapses

By Paul Betts in Rome

SIG. GIULIO ANDREOTTI, the Italian Prime Minister, resigned last night after a two-day parliamentary debate in which the Communist Party withdrew its backing for the 10-month-old minority Christian Democrat Government.

He told Parliament he was resigning because the majority support for his Government had collapsed, although there had not been a vote of no-confidence.

After a brief Cabinet meeting, Sig. Andreotti submitted his resignation to President Sandro Pertini, who is to start consultations with political leaders today. Sig. Pertini is expected to give Sig. Andreotti later this week a mandate to form a new Government.

However, Sig. Andreotti's chances of rebuilding a parliamentary majority appear extremely slim following the party's firm rejection of Communist demands for Cabinet posts in the next Government.

These demands were renewed in the parliamentary debate by Sig. Alessandro Natta, the Communist Party chief whip, and were promptly rejected by Sig. Giovanni Galloni, his Christian Democrat counterpart.

Unless a compromise is found to break the deadlock between the two main parties, which account for more than 70 per cent of the electorate, the crisis can be expected to lead to an early general election. Relations between the two parties have reached their worst level since the inconclusive June 1976 election.

Most political parties say they are opposed to an early election because of renewed political and economic and social difficulties.

The political uncertainties may not only delay the implementation of the country's three-year economic recovery plan but also threaten the collapse of the medium-term economic programme.

Some leading U.S. banking institutions are forecasting a 3 per cent growth level in Italy this year compared with the official target of 4 per cent, and an inflation rate of between 13 per cent and 14 per cent compared with the proposed 12 per cent rate.

Meanwhile, the funeral in Milan yesterday of Sig. Emilio Alessandrini, the magistrate that died in the city by leaving extremists on Monday morning, was a further reminder how political violence has recently revived.

Farm price freeze proposed by EEC

By MARGARET VAN HATTEM IN BRUSSELS

THE EEC Commission has proposed a freeze on all EEC common farm prices, an effective price rise of about 5 per cent for British, French and Italian farmers, and progressive tax on milk production.

The British, French and Italian price rises will be achieved by devaluing their "green" currencies, the rates used to convert common farm prices expressed in units of account into national currencies. The Commission is also proposing that Ireland's green pound be brought back to parity with its foreign exchange rate—a gap of about 3 per cent.

The proposals are part of the 1979-80 farm price review which the Commission yesterday formally approved and sent to the Council of Ministers.

The package is an exercise in balancing the conflicting interests of Britain, France and Germany.

In an attempt to meet French demands and thus clear the way for introduction of the European Monetary System, the Commission has drawn up a plan for getting rid of monetary compensatory amounts. These subsidies and levies on farm trade neutralise currency fluctuations, bridging the gap between "green" rates and foreign exchange rates.

Existing MCAs would be progressively phased out over four years starting from the introduction of EMS. The timetable would be flexible, allowing slightly more time for Britain and enabling strong currency countries such as Germany to retain their present MCAs for at least two years.

MCAs created after the start of EMS would be automatically phased out over the same period, unless the Council of Ministers decided to retain them.

The proposal to freeze common prices meets the main demand of British farmers, which is to veto any price rises. But the British can be expected to oppose the plan to dismantle MCAs, which would automatically raise their farm prices by nearly 30 per cent. The Commission has included a sweetener for Britain—higher subsidies for butter consumption—but this may not be sufficient to win its support.

Germany, which threatens to block any move which might cut its farmers' incomes, can be expected to oppose the phasing out of MCAs, which subsidise its farm exports.

But the Commission has stressed that the plan will proceed only if the EMS succeeds in stabilising EEC currencies. This would reduce the scope of the problem.

It has also suggested that any serious cuts in farm incomes could be offset, possibly by reviewing the VAT exemptions which were introduced for German farmers ten years ago.

It has also proposed special aids for modernising and developing regions where small-scale farms predominate. These might be applied to regions such as Bavaria.

Tough proposals aimed at curbing the dairy surplus, the Community's biggest agricultural problem, will almost certainly bring large cuts in farmers' milk prices.

They include a basic 2 per cent levy on income from milk, rising progressively on all output exceeding average levels of the past two years.

Each 1 per cent of added output will bring a 2 per cent point increase in the tax. Only small farmers with no alternative to milk production will be exempt.

Announcing the proposals, Mr. Finn Olav Gundelach, the EEC Farm Commissioner, said: "I have no illusions that there will be a quick decision."

But he insisted that whatever compromise might have to be made during the negotiations, there would be no price rises for any of the community's surplus commodities.

U.S. index of economic indicators down again

By David Buchan in Washington

DEFINITE signs of a slowdown in the U.S. economy this year came yesterday with the news that the leading indicators index, considered a key gauge of future trends, fell 0.5 per cent in December for the second successive month.

Mr. Michael Blumenthal, the Treasury Secretary, sought to dispel any sense of alarm when he addressed the joint economic committee of Congress yesterday. The growth rate would come down from 4.25 per cent last year to 2-2.5 per cent this year. But he said this "is just about where we ought to be—for the economy to cool itself off in a measured fashion, for inflation to turn resolutely away from the double digit range, for the trade deficit to narrow significantly, and for the dollar to firm up substantially."

However, he no longer rejected out of hand the numerous private forecasts of a recession this year or next. He merely pointed out that even the recession predictions which he does not agree with "all involve much milder and shorter downturns than we experienced in 1974—no one sees us on the road to a serious bust."

The Commerce Department reported that six of the ten components making up the December leading indicators index declined. These were the average work week, the lay off rate, changes in total liquid assets, the money balance, new orders for industrial plant and equipment and building permits.

Government economists caution that it usually takes at least three months to define the index for a definite judgement to be made about the trend in the economy. Even then, the index, which is volatile and often subject to revision later, is not foolproof. Thus a three-month decline in summer 1977 did not herald a permanent downturn.

THE LEX COLUMN Marking time at Lonrho

Just ahead of the Monopolies Commission report on the proposed Lonrho takeover of SUITS, which is likely to be published within the next week or two, Lonrho has produced figures which look reasonable in a generally lean year for overseas traders. But only bare clues about the make-up of its pre-tax profits total of £33.8m, against £30.2m, can be gleaned from the preliminary statement. And at the bottom line earnings per share have eased a tenth, while there is no rise in the gross dividend this year—not that shortage of income is a reason why the shares stand no higher than a modest 86p, for the yield is 16.1 per cent.

Index rose 1.7 to 467.7

porting of its cars into the UK from TKM.

In 1977 BMW Concessionaires supplied £3.7m of TKM's pre-tax profits of £5.5m, a hefty contribution even if around £0.45m of the Concessionaires' earnings came from the re-export business which TKM will keep. In the year just ended, the dominance of the BMW side as a source of earnings may have been less overwhelming, but it probably still brought in something over £4m out of, say, £7.5m.

TKM is bravely saying that it should avoid any fall in profits in 1980, the first year in which the BMW import business will be absent. The group certainly has a number of depressed divisions that should be recovering—the timber side, Mckee, TKM Foods and the UK and French Mazda franchises. But to make up £5m or so at the pre-tax level, which will be necessary if the 1979 BMW earnings are to be replaced, looks a tall order, requiring that nothing should go wrong. It is particularly important that the Mazda distributorships should come good, and this will largely depend on the continued competitiveness of Japanese car exports into the UK and France. No wonder TKM is already casting around for a new franchise.

Northern Foods

Northern Foods' accounts show that the decks are being cleared for a sizeable programme of acquisitions. The articles of association are being changed, reserves are being bolstered by a new treatment of deferred tax and a forthcoming revaluation and borrowing limits are being tidied up. The debt ceiling will be £192m under a proposed new article, compared with relevant borrowings of just £18m at the end of 1978.

Behind all this activity lies the objective of reducing dairy products from about 50 per cent of profits to 25 or 30 per cent by the end of 1981. The reason is that Northern wants to keep out of the commodity side of the dairy trade—butter and hard cheese—and already has established a very strong position in higher value dairy products, such as desserts. It is looking for new businesses at the quality end of the food and drink industry, with an established management and profits record, preferably making products with a short shelf life. And whenever possible, it wants to pay for them with cash rather than with its own shares.

Eurobonds

Yesterday's rush by borrowers to take advantage of the glimmer of confidence returning to the dollar markets was almost embarrassing. No sooner had Chase Manhattan put its seal on the softer trend in short-term dollar interest rates by lowering its prime rate than five new Eurobonds were being offered.

Investors have plenty of dollars available to go back into bonds and borrowers who realise that dollar rates have further to rise are using the present period of relative

Tozer Kemsley

Some things are too good to last, and it should have been no real surprise to Tozer Kemsley and Millbourn shareholders that BMW has decided to take over the lucrative im-

Aid plea by Kirkby co-op may be rejected

By John Elliott, Industrial Editor

THE CABINET is to be recommended by its main Ministerial committee on industry to reject an application for State aid of up to £5m from the losing Kirkby Manufacturing and Engineering workers' co-operative.

If the Cabinet decides to follow the recommendation it would almost certainly mean that the four-year-old co-operative, which produces central heating radiators and other engineering goods, would close.

It has already received Government aid totalling £5.7m and been losing £20,000 a week. The closure would cause a major political row in the Labour Party because the co-operative has become a cause célèbre for Labour Party Left-wingers since it was created by Mr. Anthony Wedgwood Benn when he was Industry Secretary at the end of 1974.

Last Thursday the Government's Industrial Development Advisory Board recommended against the co-operative's latest claim for immediate aid of up to £2m, followed later by a further £3m for developing radiator production facilities.

The situation will be discussed at a meeting in London today between Mr. Alan Williams, Minister of State for Industry, and Mr. Jim Spragg, one of the co-operative's two convener-directors.

Elinor Goodman writes: Merseyside MPs were seeing Mr. Michael Foot, the Leader of the Commons, last night in a last night in last ditch attempt to avert the closure. It is not clear whether the matter will go on today's Cabinet agenda.

Last night Mr. Robert Kilroy-Silk, Labour MP for Ormskirk, who was leading the delegation to see Mr. Foot, said it would be madness to let the co-operative go into receivership.

Ministers have already overruled the advice of the advisory board on at least two earlier occasions over saving aid to the co-operative, and the delegation still hoped that it might convince Mr. Foot that it should do so again.

PM for Tyneside

THE PRIME MINISTER is to visit Tyneside and Tyneside on Friday and Saturday. On Friday afternoon Mr. Callaghan will visit the Thornby plant of the Armstrong Cork Company and on Saturday he will address the Labour Party local government conference at Newcastle City Hall.

BL Cars' output 'will not justify parity pay'

By ARTHUR SMITH, MIDLANDS CORRESPONDENT

BL CARS appears to be heading for a confrontation with its workforce following the announcement that productivity improvements have been insufficient to justify parity payments—largely because of the road haulage dispute.

Management has told union negotiators that payments worth up to £10 a week for some workers—due to be awarded this month but back-dated to November 1 have not been earned.

The company has achieved the 7,000 reduction in the workforce, laid down as the price of parity payments, but has not achieved the required increase in output.

One factor was the unofficial strike before Christmas at the Dreads Lane components plant, Birmingham. Far more serious has been the impact of the road haulage dispute which has cut

production by up to 30 per cent. Cowley, Oxford, was brought to a standstill and output at other plants was severely curtailed.

Union leaders last night predicted an outcry from shop floor workers. One senior official—a moderate—described the company's move as "totally inexplicable and provocative."

The parity payments are part of a package accepted before Christmas by a 2-1 majority in a ballot of the 100,000 manual workforce. If implemented in full the deal would have added 15 to 16 per cent to the total wage bill BL said at the time.

The company has now indicated that it will go ahead with the 5 per cent annual wage increase plus overtime and shift payments under a national agreement. But management has made clear to union repre-

sentatives that parity awards to achieve the same wage for the same job have to be self financing.

BL is not taking the line that it is under pressure from the Government to abide by pay guidelines, but says it must adopt a strictly commercial view and ensure earnings are paid for by output.

The first response of the unions has been to suspend talks about a new five-grade pay structure. A meeting of all shop stewards has been called for Monday to make a considered response.

Management has promised to explain the position in more detail to union negotiators tomorrow.

Aid for BL car dealers Page 7
The City's helping hand Page 24

Working party rebukes NEB

By MAX WILKINSON

THE National Enterprise Board was rebuked yesterday for failing to co-operate with the industrial strategy being worked out by a National Economic Development Council working party.

Resentment has developed among members of the Electronic Components Sector Working Party against the NEB's independent attitude.

Members were particularly angry when the NEB went ahead with its plan for INMOS, a £50m venture into the micro-electronics industry, last year without apparently consulting the sector working party.

In its Industrial Strategy Progress Report, published today, the working party says: "The National Enterprise Board, when preparing its plans for the future, should co-

operate with the SWP at least to the same extent as do private companies in this sector."

Mr. Jack Akerman, former managing director of Mullard, the Philips subsidiary, and a member of the working party, said: "We would not expect to hear all the confidential details of the NEB's plans, but since the working party was set up by the Government to co-ordinate strategy, we would expect an outline of what the NEB intended to do before we read about it in the newspapers."

The sector working party consisted of many experienced people with Britain's interests at heart. It would have been prudent for the NEB to have asked for an opinion, even if it disagreed with the advice given.

The NEB said last night that

Sir Leslie Murphy, the board's chairman, belongs to the National Economic Development Council. However, the NEB is not represented on the Electronic Components working party.

It was impossible for the NEB to be represented on all 40 sector working parties. We are here any time they want to come and talk to us."

A consideration when disclosing information to sector working parties was that members included representatives of competitors. Like any other company, the NEB was reluctant to give too much advance warning to competitors.

On INMOS, the NEB felt that its action in setting up a new subsidiary accorded with policy expressed by the working party. Working party report, Page 8

Panel accuses director of insider dealing

By CHRISTINE MOIR

THE TAKEOVER Panel last night accused a director of the Chaddesley Group, a South African based unit trust concerned of insider dealing during the reverse takeover of Chaddesley Investments by Greycoat Estates early last year.

In a strongly worded statement the Panel says that Mr. M. S. Gorvy, the director, advised a South African client of Chaddesley's shares after he had been appointed to act as agent for Chaddesley's largest shareholder which had had a possible approach for its 38 per cent stake in the company.

Mr. Gorvy was closely associated with Chaddesley because of his role as Chaddesley's subsidiary, Portman Estates, held about 16.2 per cent of Chaddesley's shares and also managed the group's property portfolio.

In February, Mr. Gorvy was told that Greycoat was interested in buying the 38 per cent stake and was appointed

agent for the sale.

Two months later, while complex negotiations were continuing which ultimately led to Greycoat obtaining 68 per cent of Chaddesley, Mr. Gorvy advised the South African British Investment Trust to buy Chaddesley shares.

Mr. Gorvy argued that at the time Greycoat had not decided to buy the stake and that therefore no "bid" existed. Once Greycoat made a formal approach he forbade any further dealings by Schlessinger.

The Panel's findings acknowledge that the relevant Rule 30 in the City Code does not precisely cover the circumstances in which Mr. Gorvy acted. However, it emphasised that it is the spirit of the Code and not the letter which must be observed.

The action was not done for personal gain and Schlessinger has since altered its arrangements so that such dual capacity no longer occurs. But at the same time Panel records its "strong disapproval"

Continued from Page 1 Iran

message was not entirely unexpected, but the phraseology, "possible suspension or alteration," appeared to indicate some doubt in the Iranian's minds as to what precisely they could or should do.

David Lascelles writes from New York: Mr. James Schlesinger, the U.S. Energy Secretary, warned yesterday that the Iranian crisis might force the U.S. to impose mandatory oil conservation measures from April 1 unless Iran resumed production by then. Although he has previously spoken of impending shortages, this is the first time he has given a date. His Department stressed that it was still hoped that voluntary restraint would make mandatory measures unnecessary.

Among measures the department is considering, Mr. Schlesinger said, were allocation of crude oil and refined products among refiners and dealers and closing petrol stations on Sundays and in the evenings.

He did not think that rationing would be necessary.

Weather

UK TODAY

RATHER cold with widespread rain and frost. Maximum temperature 5C (41F).

London, S.E. and S. Cent. England

Cloudy. Hill fog and rain. E. Anglia, Midlands, Wales

Cloudy. Rain, sleet, some snow.

E. and N. England, Borders

Bright periods. Wintry showers.

Channel Isles, S.W. England

Cloudy. Rain, heavy at times.

Isle of Man, Scotland, Ulster

Highlands, Islands

Bright intervals. Wintry showers.

● Outlook: Cloudy with rain or sleet in south. Wintry showers in north.

● Long range forecast: Further very cold periods with severe frosts but more dry and sunny days.

BUSINESS CENTRES

	Y'day	midday	Y'day	midday	
Amsdam	F	37	Madrid	S	43
Atlanta	F	17	M'chstr.	S	41
Bahra	F	17	Paris	S	41
Bombay	F	12	Seoul	S	21
Boston	F	3	Tokyo	S	11
Buenos Aires	F	3	W'ham	S	11
Calcutta	F	3	Yokohama	S	11
Canton	F	3			
Chicago	F	3			
Copenhagen	F	3			
Hankow	F	3			
Hong Kong	F	3			
London	F	3			
Lyons	F	3			
Manila	F	3			
Medan	F	3			
Osaka	F	3			
Rangoon	F	3			
Singapore	F	3			
Tientsin	F	3			
Yokohama	F	3			

HOLIDAY RESORTS

	Y'day	midday	Y'day	midday	
Algeria	F	10	Istanbul	S	14
Athens	F	17	Lima	S	18
Bahra	F	12	Manila	S	18
Bombay	F	12	Medan	S	18
Boston	F	8	Osaka	S	18
Buenos Aires	F	8	Rangoon	S	18
Calcutta	F	8	Singapore	S	18
Canton	F	8	Tientsin	S	18
Chicago	F	8	Yokohama	S	18
Copenhagen	F	8			
Hankow	F	8			
Hong Kong	F	8			
London	F	8			
Lyons	F	8			
Manila	F	8			
Medan	F	8			
Osaka	F	8			
Rangoon	F	8			
Singapore	F	8			
Tientsin	F	8			
Yokohama	F	8			

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